

LIBRARY
SUPREME COURT, U. S.

TRANSCRIPT OF RECORD

Supreme Court of the United States

OCTOBER TERM, 1950

No. 395

**ALABAMA PUBLIC SERVICE COMMISSION, ET AL.,
APPELLANTS,**

vs.

SOUTHERN RAILWAY COMPANY

**APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE
MIDDLE DISTRICT OF ALABAMA**

FILED OCTOBER 31, 1950.

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1950

No. 395

ALABAMA PUBLIC SERVICE COMMISSION, ET AL.,
APPELLANTS,

vs.

SOUTHERN RAILWAY COMPANY

APPEAL FROM THE UNITED STATES DISTRICT COURT FOR THE
MIDDLE DISTRICT OF ALABAMA

INDEX

	Original	Print
Record from U. S. D. C., Middle District of Alabama	1	1
Caption (omitted in printing)	1	
Complaint	2	1
Exhibit 1—Petition of Southern Railway Co., before Alabama Public Service Commission	9	8
Exhibit "A"—Statement showing operating results of passenger trains Nos. 7 and 8, March 1947 to February 1948	14	12a
Exhibit "B"—Notice of filing petition	16	13
Exhibit 2—Statement showing operating results of passenger trains Nos. 7 and 8, March 1, 1948 to February 28, 1949	17	14a
Exhibit 3—Statement showing operating results of passenger trains Nos. 7 and 8, March 1, 1949 to July 31, 1949	18	14b
Exhibit 4—Statement showing revenue from passengers transported on passenger trains Nos. 7 and 8, years ending February 29, 1948, February 28, 1949, March 1 thru July 31, 1949 and August 1, 1949 thru March 31, 1950	19	15
Exhibit No. 5—Statement showing actual direct expenses incurred in the operation of passenger trains Nos. 7 and 8 for periods shown in Exhibit 4	20	16

JUDD & DETWEILER (INC.), PRINTERS, WASHINGTON, D. C., DEC. 5, 1950.

Record from U. S. D. C., Middle District of Alabama—			
Continued		Original	Print
Summons and return		21	17
Designation of three-judge court		22	17
Order directing defendants to answer		23	18
Motion to stay calling of three-judge court		24	19
Motion to dismiss		26	21
Answer to complaint		31	24
Exhibit "A"—Report and order of the Alabama			
Public Service Commission re discontinuance			
of passenger trains Nos. 7 and 8		34	27
Motion to stay further action		45	39
Opinion, findings of fact and conclusions of law		64	45
Decree		87	71
Petition for appeal		47	41
Order allowing appeal		49	42
Citation	(omitted in printing)	50	
Assignment of errors and prayer for reversal		51	43
Cost bond	(omitted in printing)	95	
Praecipe for record		96	73
Clerk's certificate	(omitted in printing)	98	
Statement of points to be relied upon and designation of			
parts of the record to be printed		99	74
Order noting probable jurisdiction		100	75

[fol. 1]

[Caption omitted]

[fol. 2]

[File endorsement omitted]

**IN THE UNITED STATES DISTRICT COURT FOR
THE MIDDLE DISTRICT OF ALABAMA, NORTH-
ERN DIVISION**

Civil Action No. 681-N

SOUTHERN RAILWAY COMPANY, a Corporation, Plaintiff,

v.

**ALABAMA PUBLIC SERVICE COMMISSION, GORDON PERSONS, its
President, and Jimmy Hitchcock and C. C. (Jack) Owen,
Associate Commissioners; and A. A. Carmichael, Attor-
ney General of the State of Alabama, Defendants**

COMPLAINT—Filed May 3, 1950

The above named plaintiff, complaining of the above
named defendants, alleges:

I

Plaintiff, Southern Railway Company, is and was at the
times hereinafter stated, a corporation organized and exist-
ing under the laws of the State of Virginia, and as such is
engaged as a common carrier by railroad of persons and
property between points within the State of Alabama, and
between points within the State of Alabama on the one hand
and points in other states throughout the south on the other
hand, and as such common carrier is subject to the jurisdic-
tion of the Alabama Public Service Commission and the
Interstate Commerce Commission, respectively.

II

The defendant, Alabama Public Service Commission, con-
sisting of a President and two Associate Commissioners, is
and was at the time hereinafter stated, an administrative
body, created under the laws of the State of Alabama, (Title
48, Section 1, Code 1940) and authorized under the laws of
the State of Alabama to exercise certain regulatory powers
over plaintiff, and other common carriers by railroad, (Title
48, Section 106, Code 1940). The principal office and official

domicile of said Commission is located in the City of Montgomery, County of Montgomery, State of Alabama, being within the Middle Judicial District of the State of Alabama, and the Northern Division thereof. (Title 48, Section 11, Code 1940). Defendant Persons, is President, and defendants Hitchcock and Owen, are Associate Commissioners, of said Commission, and defendant Carmichael is Attorney General for the State of Alabama, and are citizens of the [fol. 3] State of Alabama and residents of Montgomery, Montgomery County, located in the Middle Judicial District of Alabama, and the Northern Division thereof. Defendant Carmichael, as Attorney General of the State of Alabama, is by the statutes of said state charged with the supervision and control of legal proceedings in behalf of the State of Alabama, and is Attorney for Defendant Alabama Public Service Commission.

III

This is a suit of a civil nature between citizens of different states, and arises under the Fourteenth Amendment to the Constitution of the United States, as hereinafter more fully appears. The matter in controversy exceeds, exclusive of interest and costs, the sum of Three Thousand Dollars.

IV

By Title 48, Section 35 and Section 106, of the Code of Alabama of 1940, plaintiff, and other common carriers by railroad, are required to file an application with defendant Commission for a permit to abandon passenger train service and obtain from the Commission a permit allowing such abandonment before it shall abandon operation of passenger service on its lines of railroad in Alabama. No standards for the guidance of the Commission are prescribed, and plaintiff is advised and believes, and therefore alleges, for the purpose and only for the purpose of avoiding an admission of record that the statutes are unconstitutional and void as an unlawful delegation of legislative power, but the plaintiff does not ask in this suit for an adjudication of the constitutionality of said statutes as that is a matter primarily for the Supreme Court of Alabama. Nevertheless, in compliance with said statutes plaintiff, on, to-wit, the 13th day of September, 1948, filed with defendant Commission an application for authority to discontinue the operation of two certain local interstate passenger trains

being operated daily between Tuscumbia, Alabama and Chattanooga, Tennessee, viz:

Train No. 8, leaving Tuscumbia at 5:54 A. M., arriving Chattanooga at 11:50 A. M.

Train No. 7, leaving Chattanooga at 5:15 P. M., arriving Tuscumbia at 9:11 P. M.

Attached to said application and made a part thereof was "Exhibit A", which showed that plaintiff's operation of said two passenger trains for the twelve month period from March 1, 1947 to February 29, 1948, inclusive, showed that the wages for the train and engine crews and the pay roll taxes paid by plaintiff for the benefit of said crews, plus train fuel consumed in the operation of said trains was [fol. 4] only a few thousand dollars less than the amount of gross revenue earned by said trains from the handling of passengers, mail, and express, and further, that in the light of other direct expense of their operation the total cost of direct expense (not including the expense properly apportionable to these two trains to cover overhead, dispatching, supervision, maintenance of way and structures, depreciation, ticket agents, ticket office expense, and the like) exceeded the total gross revenues for said twelve month period by \$78,710.74. Plaintiff attaches a copy of said application and "Exhibit A" thereto to this complaint marked Exhibit No. 1, to which reference is prayed for a more complete understanding of said application.

V

The defendant Commission set said application down for hearing at Huntsville, Alabama for June 2, 1949 but the date for the hearing was continued by the Commission until August 4, 1949 and again until October 6, 1949 when it was heard and taken under submission by three representatives of the Commission, none of the defendant commissioners being present for the hearing. After holding the case under submission for approximately six months the Commission entered its report and order in the case on April 3, 1950 denying the plaintiff's said application for authority to discontinue the operation of its said two local passenger trains. In addition to the statement of operating results of these two trains for the year March 1, 1947 to February 29, 1948, inclusive, attached as Exhibit A to said application to the

Commission the plaintiff offered in evidence on the hearing a statement of the operating results for the twelve month period March 1, 1948 to February 28, 1949, and for the five month period March 1, 1949 to July 31, 1949 attached as Exhibit No. 2 and Exhibit No. 3, respectively, and made a part of this complaint. As shown by these three exhibits covering these three separate periods the plaintiff's losses from the operation of these two trains from March 1, 1947 to July 31, 1949 became progressively more burdensome.

Because of the fact that the two trains were out of service under O.D.T. and I.C.C. orders for forty-three days in 1948, twenty-six days in 1949, and sixty-two days in 1950, in order to get a comparison of the progressive decline in passenger revenue during the three periods and the fourth period August 1, 1949 to March 31, 1950, it is necessary to break down each period into days and show the passenger revenue per day. This is done on attached Exhibit No. 4 made a part of this complaint. As appears from this exhibit the passenger revenue per day from these two trains declined from \$180.94 for the year ending February 29, 1948 to \$124.74 for the year ending February 28, 1949, to \$97.02 for the five month period March 1, 1949 through July 31, 1949, and to \$83.11 for the eight month period August 1, 1949 through March 31, 1950, the latest period for which the figures are presently obtainable. Percentagewise this is a decline from the average daily revenue of these two passenger trains during the first period of approximately 30 percent during the second period, approximately 46 percent during the third period and approximately 54 percent during the fourth period.

For further comparison, plaintiff attaches as Exhibit No. 5 made a part of this complaint a statement of the wages of the train and engine crews, payroll tax, railroad retirement and unemployment insurance thereon, and the cost of train fuel only, covering the four above periods broken down into days and showing the daily cost for each of said periods of these three expense items only. Comparing this Exhibit No. 5 with Exhibit No. 4 it appears that the passenger revenue falls short, by \$57.10 per day during the first period, \$151.45 per day during the second period, \$168.24 per day during the third period, and \$195.43 per day during the fourth period, of the amount necessary to pay only these three items of expense incurred in the operation of the two trains. And plaintiff alleges that it is under no duty to

operate these two trains for the transportation of United States mail as the defendant Commission and the Courts have often decided, the distribution of the United States mail being the responsibility of the federal government. Neither is the plaintiff under any duty to operate these two trains for the transportation of express as that is the responsibility of the Railway Express Agency. Besides, the four remaining passenger trains operating on this line of road afford ample facilities for the transportation of United States mail and express, if the federal government and the Railway Express Agency desire to contract with the plaintiff for such transportation.

VI

Plaintiff further avers that in addition to its local passenger trains Nos. 7 and 8 which it seeks to discontinue, it operates on its Memphis and Charleston Division between Memphis and Chattanooga, Tennessee, two other local passenger trains Nos. 35 and 36. No. 36 leaves Memphis at 8:00 A.M., leaves Tusculmbia at 12:40 P.M., arriving at Chattanooga at [fol. 6] 7:00 P.M. where it connects with the Birmingham Special for Washington, New York and intermediate points. No. 35 after connecting with the Birmingham Special from New York, Washington and intermediate points leaves Chattanooga at 8:00 A.M., leaves Tusculmbia at 12:30 P.M., arriving at Memphis at 4:50 P.M. These two trains also make connections at Chattanooga with through trains between Chattanooga, Cincinnati and intermediate points and between Chattanooga, Atlanta and Jacksonville, Florida, and intermediate points. Nos. 35 and 36 are diesel-powered, air-conditioned first class trains with standard day coaches for both white and colored passengers and each carries a through Pullman sleeper and club car which runs between Memphis and Washington. These two trains make all of the stops which trains Nos. 7 and 8 make between Tusculmbia and Stevenson (the most easterly point on plaintiff's line; all of plaintiff's trains east of Stevenson operate over the line of the N. C. & St. L. Railway to Chattanooga). In addition to its said local passenger trains Nos. 7 and 8 and Nos. 35 and 36, plaintiff also operates on the line between Tusculmbia and Chattanooga trains Nos. 45 and 46 "The Tennessean". These are Streamlined Coach-Pullman air-conditioned diesel-powered trains operating between Memphis and Washington. No. 45 leaves Chattanooga at

12:50 A.M., leaves Tuscumbia at 4:20 A.M., arriving at Memphis at 7:45 A.M. No. 46 leaves Tuscumbia at 11:10 P.M., arriving at Chattanooga at 4:10 A.M. Although these are through Streamlined passenger trains with fast schedules between Washington and Memphis they make five stops in the short distance of 128 miles between Tuscumbia and Stevenson, viz. Tuscumbia-Sheffield, Decatur, Huntsville, Scottsboro and Stevenson.

VII

Plaintiff further avers that the area in the several counties of Alabama through which its line of railroad between Tuscumbia and Chattanooga extends and over which said local passenger trains Nos. 7 and 8 and Nos. 35 and 36 and said Streamlined trains Nos. 45 and 46 operate is traversed by improved and paved federal and state highways substantially paralleling plaintiffs line of railroad through said several counties, which said improved and paved highways are extensively used by common carrier bus lines, operating on frequent and convenient schedules, and by private automobiles.

[fol. 7]

VIII

Plaintiff therefore avers that, in view of the small amount of passenger revenue derived from the operation of said local passenger trains Nos. 7 and 8 and the little use thereof by the traveling public as shown by paragraph V of this complaint, and in view further of the ample service furnished by the other two local passenger trains and the five local stops of "The Tennessean", all operated by plaintiff over its said line of railroad in Alabama between Tuscumbia and Chattanooga as shown in paragraph VI of this complaint, and of the improved and paved federal and state highways substantially paralleling plaintiff's line of railroad in Alabama between Tuscumbia and Chattanooga on which common carrier buses are operated on frequent and convenient schedules and on which also private automobiles are extensively operated as shown by paragraph VII of this complaint, there is no public necessity for the continued operation of said local passenger trains Nos. 7 and 8. Such lack of public necessity is reinforced and emphasized by the heavy losses of upwards of \$10,000.00 per month sustained by the plaintiff in their operation as shown by Exhibit No. 3

7

hereto. And plaintiff further avers that said order of the Commission of April 3, 1950 denying the plaintiff's said application for authority to discontinue the operation of said two trains is contrary to the evidence submitted on the hearing of said application, is unjust, unreasonable, unconscionable, arbitrary and confiscatory. Said order is directly in the teeth of the policy of the Congress of the United States and of the State of Alabama as expressed in the Interstate Commerce Act and Title 48 of the Alabama code requiring efficient and economical management by the plaintiff and other railroad companies of their respective common carrier properties. Said order deprives plaintiff of its property for public use without just compensation, denies to plaintiff due process of law, denies to plaintiff the equal protection of the law, and unduly burdens interstate commerce, all in violation of the Constitution of the State of Alabama and of the Fifth and Fourteenth Amendments to, and the Commerce Clause of, the Constitution of the United States, and should be held unlawful, null, void and of no effect.

IX

Plaintiff has exhausted all administrative remedies available to it and now seeks the protection of this Court against the further confiscation of its property by said order of the defendant Commission requiring the continued operation of [fol. 8] said two local passenger trains.

Wherefore, plaintiff prays:

1. That plaintiff's bill be received, filed and docketed in the records of this Court.
2. That process issue requiring defendants and each of them to appear and answer plaintiff's complaint.
3. That a special court of three judges be organized to hear and determine this cause as provided by New Title 28, U. S. Code, Section 2284.
4. That on a hearing, after at least five days notice of such hearing shall have been given to Hon. James E. Folsom, Governor, and to defendant, A. A. Carmichael, Attorney General of the State of Alabama, an interlocutory injunction pending the final disposition of the cause be issued enjoining defendants, separately and severally, from proceeding against the plaintiff, its officers, agents or employees to enforce any penalties or other remedies provided under the

laws of the State of Alabama on account of plaintiff's or their failure to continue the operation of said two local passenger trains Nos. 7 and 8 between Tusculumbia and the Tennessee State Line as required by said order of defendant Alabama Public Service Commission of April 3, 1950; and that on the final hearing of this cause said order of the defendant Commission be held unlawful, null, void and of no effect and that such interlocutory injunction be made permanent.

5. That plaintiff have such other, further and different relief as may be just and equitable, and plaintiff prays for general relief.

Marion Rushton, 1203 Bell Building, Montgomery, Alabama; Charles Clark, Southern Railway Building, Washington, D. C.; J. T. Stokely, 1038 Brown-Marx Building, Birmingham, Alabama.

Rushton, Stokely & Johnston (Montgomery, Alabama),
Of Counsel.

Benness, Burr, Stokely & McKamy (Birmingham, Alabama), Of Counsel.

[File endorsement omitted.]

[fol. 9]

EXHIBIT No. 1 TO COMPLAINT

Before The

Alabama Public Service Commission

Docket No. 11988

Petition of Southern Railway Company to Discontinue
Passenger Trains Nos. 7 and 8 Operated Between Tusculumbia, Alabama, and Chattanooga, Tennessee

J. T. Stokely, Charles Clark, Attorneys for Petitioner.

Dated: September 13, 1948.

The petition of Southern Railway Company respectfully shows:

I

Petitioner is a corporation of the State of Virginia and as such is engaged as a common carrier by rail of persons

and property in intrastate commerce between points within the State of Alabama and in interstate commerce between points in the State of Alabama on the one hand and points in many other states on the other hand.

II

Petitioner as such common carrier operates two passenger trains daily between Tuscumbia, Ala., and Chattanooga, Tenn., a distance of 165 miles.

Schedule No. 8:	Leave Tuscumbia	5:54 AM
	Arrive Stevenson	9:30 AM
	Arrive Chattanooga	10:50 AM

Schedule No. 7:	Leave Chattanooga	4:15 PM
	Arrive Stevenson	5:25 PM
	Arrive Tuscumbia	9:11 PM

III

Petitioner seeks authority to permanently discontinue the operation of said passenger trains because they are little used by the public and because the cost of operating said trains greatly exceeds the total revenue earned by said trains. Petitioner attaches hereto, as Exhibit A, statement of two sheets showing the operating results of said trains for the twelve-month period March 1947 to February 1948, inclusive. Said exhibit shows total revenue amounted to \$98,842.92 for hauling passengers, mail and express. The direct expenses incurred in the operation of said trains such as wages of the crew, train fuel, repairs to locomotives, cars, and the like, amounted to \$177,553.66.

The total direct expense of operating these trains exceeded the total revenues, for the twelve-month period, by \$78,710.74. The expenses of operation included in the foregoing items are only certain direct expenses and do not include anything for overhead, dispatching, supervision, maintenance of roadway and structures, depreciation, ticket agents, ticket office expense, and the like. Had those [fol. 11] items been included, the loss would have been even greater.

IV

Should trains Nos. 7 and 8 be discontinued, there would remain in operation over petitioner's line between Tus-

cumbia and Chattanooga the following described daily passenger train service:

Schedule No. 35:	Lv. Chattanooga	7:45 AM
	Ar. Tuscumbia	12:52 PM

Schedule No. 36:	Lv. Tuscumbia	12:32 PM
	Ar. Chattanooga	6:25 PM

Nos. 35 and 36 make all the station stops between Tuscumbia and Chattanooga that are made by Schedule Nos. 7 and 8.

Schedule No. 45:	Lv. Chattanooga	11:50 PM
	Ar. Tuscumbia	4:23 AM

Schedule No. 46:	Lv. Tuscumbia	10:57 PM
	Ar. Chattanooga	2:00 AM

Nos. 45 and 46 make limited station stops at Stevenson, Scottsboro, Huntsville, Decatur and Sheffield, Ala.

V

The territory between Tuscumbia, Sheffield, Decatur, Huntsville, Scottsboro, Stevenson and Chattanooga, through which said trains operate, is served by improved highways available to the public use in driving private automobiles and trucks, and adequate bus service is maintained over said highways.

[fol. 12]

VI

Your petitioner is posting at each station served by said trains Nos. 7 and 8 a notice of the filing of this petition, in the form of Exhibit B hereto, and petitioner will upon the expiration of the required ten-day posting period file with this Commission proof of such posting.

VII

The continued operation by your petitioner of Trains Nos. 7 and 8 between Tuscumbia and Chattanooga will constitute an undue burden on interstate commerce and will involve the taking of petitioner's property without due process of law and be a denial to your petitioner of the equal protection of the law contrary to the provisions of

the Constitution of the State of Alabama and of the United States.

[Wherefore, your petitioner prays for the reasons herein above stated, and others to be shown at the hearing, that it may be duly authorized and permitted in the manner, prescribed by law to discontinue the operation of said [fol. 13] passenger trains Nos. 7 and 8 between Tuscumbia, Ala., and Chattanooga, Tenn., in so far as they are operated in Alabama, that is, between Tuscumbia and Stevenson, 121 miles.

Southern Railway Company, by W. F. Cooper, Its Superintendent.

J. T. Stokely, (1038 Brown-Marx Bldg., Birmingham, Ala.); Charles Clark, (Southern Railway Bldg., Washington, D. C.), Attorneys for Petitioner.

(Here follows 1 paster, side folio 14-15)

[fol. 14-15]

12A

EXHIBIT "A" TO PETITION
Southern Railway Company

Operating Result of Passenger Trains Nos. 7 and 8—Chattanooga, Tenn. to Tusculumbia, Ala.

	March 1947	April 1947	May 1947	June 1947	July 1947	August 1947	September 1947	October 1947
Revenues:								
Passenger.....	\$5,541.26	\$5,195.99	\$5,626.95	\$5,653.25	\$6,152.89	\$7,146.59	\$5,597.44	\$5,579.20
Mail.....	1,990.66	1,953.04	2,048.20	1,976.29	1,988.70	2,002.02	1,885.51	1,984.16
Express.....								
Miscellaneous.....	3.57	3.99	4.49	3.07	2.24	10.15	1.86	17.57
Total Revenues.....	\$7,535.49	\$7,153.02	\$7,679.64	\$7,632.61	\$8,143.83	\$9,158.76	\$7,484.81	\$7,580.93
Direct Expenses—"Actual"								
Wages, Train and Engine Crews.....	\$4,024.34	\$3,897.60	\$4,024.34	\$3,897.60	\$4,024.34	\$4,024.34	\$3,897.60	\$4,024.34
Payroll Taxes, R. R. Ret. & Unemp. Ins.....	270.20	267.31	270.20	262.07	270.20	270.20	262.07	270.20
Train Fuel.....	2,830.80	2,827.68	2,541.84	2,454.30	2,643.06	2,604.70	2,584.23	2,769.14
Damage to Live Stock on R. of W.....								400.00
Total Direct Expenses—"Actual".....	\$7,125.34	\$6,992.59	\$6,836.38	\$6,613.97	\$6,937.60	\$6,899.24	\$6,743.90	\$7,463.68
Direct Expenses—"Apportioned"								
Enginehouse Expenses.....	\$704.63	\$741.30	\$875.13	\$931.80	\$924.11	\$884.74	\$933.60	\$964.72
Passenger Locomotives—Water.....	147.90	140.40	147.90	143.14	147.90	147.90	143.14	147.90
" " —Lubricants.....	252.06	239.28	252.06	243.94	252.06	252.06	243.94	252.06
" " —Other Supplies.....	136.44	129.54	136.44	132.04	136.44	136.44	132.04	136.44
" " —Repairs.....	3,637.26	3,452.88	3,637.26	3,519.94	3,637.26	3,637.26	3,519.94	3,637.26
Passenger Train Cars—C. H. L. W. & Icing.....	457.20	440.30	469.32	459.64	474.16	466.87	459.61	449.98
" " —Lubricants.....	31.75	30.58	32.60	31.92	32.93	32.42	31.92	31.24
" " —Other Expenses.....	25.40	24.46	26.08	25.54	26.35	25.94	25.53	25.00
" " —Repairs.....	942.97	908.10	967.98	948.02	977.96	962.93	947.96	928.06
Chattanooga Station Company.....	486.36	573.40	575.11	511.86	542.92	524.16	558.36	574.74
Trackage—N. C. & St. L. Ry. Co.—Stevenson—Wauhatchie.....	270.20	344.88	348.57	352.00	424.16	335.44	318.68	316.96
Total Direct Expenses—"Apportioned".....	\$7,092.17	\$7,025.12	\$7,468.45	\$7,229.34	\$7,576.25	\$7,406.16	\$7,314.72	\$7,464.36
Total Direct Expenses—"Actual and Apportioned".....	\$14,217.51	\$14,017.71	\$14,304.83	\$13,913.31	\$14,513.85	\$14,305.40	\$14,058.62	\$14,928.04
Direct Expenses in Excess of Revenues.....	\$6,682.02	\$6,864.69	\$6,625.19	\$6,280.70	\$6,370.02	\$5,146.64	\$6,573.81	\$7,347.11

Schedule 3

Tuscumbia, Ala.

September 1947	October 1947	November 1947	December 1947	January 1948	February 1948	Total 12 Months
97.44	\$5,579.20	\$4,407.78	\$5,744.79	\$5,531.22	\$3,047.66	\$66,225.02
85.51	1,984.16	1,938.86	1,989.88	1,987.84	1,856.85	23,602.01
.....	.....	1,470.47	2,651.50	2,269.66	2,521.66	8,913.29
1.86	17.57	14.41	32.15	7.86	1.24	102.60
34.81	\$7,580.93	\$8,831.52	\$10,418.32	\$9,796.58	\$7,427.41	\$98,842.92
97.60	\$4,024.34	\$4,107.53	\$4,302.78	\$7,377.50	\$4,124.60	\$48,726.91
62.07	270.20	272.21	272.21	249.37	221.37	3,157.61
34.23	2,769.14	3,229.98	4,123.68	3,534.66	3,095.46	35,239.53
.....	400.00	.....	.....	.....	.....	400.00
43.90	\$7,463.68	\$7,609.72	\$8,698.67	\$8,161.53	\$7,441.43	\$87,524.05
33.60	\$964.72	\$903.60	\$884.12	\$948.91	\$877.83	\$10,574.49
43.14	147.90	143.14	147.90	147.90	138.36	1,743.48
43.94	252.06	243.94	252.06	252.06	235.80	2,971.32
32.04	136.44	132.04	136.44	136.44	127.64	1,608.38
19.94	3,637.26	3,519.94	3,637.26	3,637.26	3,402.60	42,876.12
59.61	449.98	522.54	642.45	624.16	563.68	6,029.91
31.92	31.24	36.28	44.62	43.34	39.15	418.75
25.53	25.00	31.04	35.69	34.68	31.31	337.02
17.96	928.06	1,077.76	1,325.07	1,287.32	1,162.57	12,436.70
58.36	574.74	653.91	592.74	660.48	736.28	6,989.82
18.68	316.96	302.79	368.38	346.48	315.08	4,043.62
14.72	\$7,464.36	\$7,566.98	\$8,066.73	\$8,119.02	\$7,630.30	\$90,029.61
58.62	\$14,928.04	\$15,176.70	\$16,765.40	\$16,280.56	\$15,071.73	\$177,553.66
73.81	\$7,347.11	\$6,345.18	\$6,347.08	\$6,483.98	\$7,644.32	\$78,710.74

[fol. 16]

EXHIBIT B TO PETITION

NOTICE

Notice is hereby given that Southern Railway Company is filing with the Alabama Public Service Commission a petition for approval of the discontinuance of Passenger Trains Nos. 7 and 8 operated between Tuscumbia, Ala., and Chattanooga, Tenn., due to the heavy losses incurred by Southern Railway Company in the operation of said trains.

Southern Railway Company, By W. F. Cooper, Its
Superintendent, Sheffield, Ala.

Dated: ———, ———.

(Here follow 2 pasters, side folios 17 and 18)

[fol. 17]

EXHIBIT NO. 2 TO COMPLAINT

Southern Railway Company

Operating Results of Passenger Train No. 7 and 8—Chattanooga, Tenn. to Tuscumbia, Ala.
March 1, 1948 to February 28, 1949

Total 12 Months

	Train No. 7	Train No. 8	Total
Revenues			
Passenger	\$24,596.76	\$15,567.92	\$40,164.68
Mail	9,790.25	10,814.63	20,604.88
Express	9,582.01	9,582.01	19,164.02
Milk		22.69	22.69
Total	\$43,969.02	\$35,987.25	\$79,956.27

Direct Expenses—"Actual"			
Wages Train and Engine Crews	\$25,092.91	\$25,092.88	\$50,185.79
Payroll Tax—R. R. Retirement & Unemp. Ins.	1,054.42	1,054.41	2,108.83
Train Fuel	17,119.54	19,520.11	36,639.65
Injuries to Persons	325.00	482.00	807.00
Damage to Property		1,252.50	1,252.50
Total Direct Expense—"Actual"	\$43,591.87	\$47,401.90	\$90,993.77

Direct Expenses—"Apportioned"			
Enginehouse Expenses	\$5,340.53	\$5,283.52	\$10,624.05
Pass. Locomotives—Water	888.30	881.48	1,769.78
" " —Lubricants	1,511.21	1,499.60	3,010.81
" " —Oth. Supplies	698.48	693.35	1,391.83
" " —Repairs	20,252.65	20,097.13	40,349.78
Pass. Train Cars—C. H. L. W. & Icing	3,097.65	3,096.63	6,194.28
" " —Lubricants	218.15	218.07	436.22
" " —Other Expenses	239.95	239.87	479.82
" " —Repairs	7,569.64	7,567.13	15,136.77
Rent Paid Foreign Lines for Equipment	58.10	81.34	139.44
Trackage over N. C. & St. L.	2,335.75	2,308.41	4,644.16
Chattanooga Station Company—Expenses	3,576.95	3,535.54	7,112.49
Total Direct Expense—"Apportioned"	\$45,787.36	\$45,502.07	\$91,289.43

Total Direct Expense—"Actual and Apportioned" \$89,379.23 \$92,903.97 \$182,283.20

Direct Expenses in Excess of Revenues \$45,410.21 \$56,916.72 \$102,326.93

Ratio—Direct Expenses to Total Revenues
i. e., \$2.28 was expended to earn a revenue \$1.00.

Items of Expense Not Included:
Maint. of Way—Tracks and Structures
Maint. of Way Supervision—Depr'n—Retmts
Maint. of Equip—Superv.—Depr'n—Retmts
All Traffic Exepnse
Station or Agency Expense
Yard of Switching Expense
Transportation—Supervision—Train
Dispatching and numerous Overhead
Accounts
All General Expense
All Taxes except Pay Roll
All Fixed Charges, i. e., Bond Interest,
Rents, etc.

Note: Trains discontinued 3/21/48
thru 5/2/48 because of O. D. T.
General Order No. 69

[fol. 18]

EXHIBIT NO. 3 TO COMPLAINT

Southern Railway Company

Operating Results of Passenger Train No. 7 and 8—Chattanooga, Tenn. to Tusculumbia, Ala.
March 1, 1949 to July 31, 1949

Total 5 Months

	Train No. 7	Train No. 8	Total	
Revenues:				
Passenger.....	\$8,847.56	\$5,996.52	\$14,844.08	
Mail.....	4,631.51	5,122.67	9,754.18	
Express.....	3,062.59	3,662.59	6,725.18	
Milk.....	.57	21.27	21.84	
Total.....	\$16,542.23	\$14,203.50	\$30,745.28	
Direct Expenses—"Actual"				
Wages, Train and Engine Crews.....	\$11,954.27	\$11,954.26	\$23,908.53	Items of Expense Not Included: Maint. of Way—Tracks and Structures Maint. of Way Supervision—Depr'n—Retmts Maint. of Equip.—Supervis'n—Depr'n—Retmts. All Traffic Expense Station or Agency Expense Yard or Switching Expense Transportation—Supervision—Train Dispatching and numerous Overhead Accounts All General Expense All Taxes except Pay Roll All Fixed Charges, i. e., Bond Interest, Rents, etc.
Payroll Tax—R. R. Retirement & Unemp. Ins....	499.38	499.36	998.74	
Train Fuel.....	7,767.10	7,910.20	15,677.30	
Injuries to Persons.....	235.00		235.00	
Total Direct Expenses—"Actual".....	\$20,455.75	\$20,363.82	\$40,819.57	
Direct Expenses—"Apportioned"				
Enginehouse Expenses.....	\$ 2,853.25	\$2,853.25	\$5,706.50	
Pass. Locomotives—Water.....	416.98	416.51	833.49	
“ “ —Lubricants.....	709.37	708.59	1,417.96	
“ “ —Other Supplies.....	327.98	327.62	655.60	
“ “ —Repairs.....	9,506.77	9,496.31	19,003.08	
Pass. Train Cars—C. H. L. W. & Iceing.....	1,331.81	1,336.53	2,668.34	
“ “ —Lubricants.....	93.80	94.13	187.93	
“ “ —Other Expenses.....	103.15	103.53	206.68	
“ “ —Repairs.....	3,254.50	3,266.02	6,520.52	
“ “ —Pullman—Air Conditioning.....	2.12	2.12	4.24	
Trackage over N. C. & St. L.....	1,639.90	1,637.98	3,277.88	
Chattanooga Station Co. Expenses.....	1,570.05	1,566.00	3,136.05	
Total Direct Expenses—"Apportioned".....	\$21,809.68	\$21,808.59	\$43,618.27	
Total Direct Expenses—"Actual and Apportioned".....	\$42,265.43	\$42,172.41	\$84,437.84	
Direct Expenses in Excess of Revenues.....	\$25,723.20	\$27,969.36	\$53,692.56	
Ratio—Direct Expenses to Total Revenues.....			275	
i. e., \$2.75 expended to earn a revenue \$1.00.				

[fol. 19]

EXHIBIT NO. 4 TO COMPLAINT

Southern Railway Company

Revenue From Passengers Transported on Passenger Trains Nos. 7 and 8
Operating Between Chattanooga, Tenn. and Tuscumbia, Ala.

	Number of Days Trains Operated	Total Revenue From Passengers			Daily Average Revenue From Passengers		
		Train No. 7	Train No. 8	Total Trains Nos. 7 & 8	Train No. 7	Train No. 8	Total Trains Nos. 7 & 8
Year ended February 29, 1948.....	366	\$40,634.12	\$25,590.90	\$66,225.02	\$111.02	\$69.92	\$180.94
Year ended February 28, 1949.....	322	\$24,596.76	\$15,567.92	\$40,164.68	\$76.39	\$48.35	\$124.74
5 Months, Period—March 1 thru July 31, 1949.....	153	\$ 8,847.56	\$ 5,996.52	\$14,844.08	\$ 57.83	\$39.19	\$ 97.02
8 Months, Period—August 1, 1949 thru March 31, 1950.....	155	\$ 7,856.50	\$ 5,025.31	\$12,881.81	\$ 50.69	\$32.42	\$ 83.11

Note: Trains Discontinued account of O. D. T. and I. C. C. Orders.

March 21, 1948 thru May 2, 1948..... or 43 Days

October 26, 1949 thru November 20, 1949..... or 26 Days

January 9, 1950 thru March 11, 1950..... or 62 Days

Source: Southern Railway Company Records.

[fol. 20]

16

EXHIBIT No. 5 TO COMPLAINT

Southern Railway Company

Actual Direct Expenses Incurred in the Operation of Passenger Trains Nos. 7 and 8
Between Chattanooga, Tenn. and Sheffield, Alabama.

	Number of Days Trains Operated	Wages Paid Train and Engine Crews	Pay Roll Taxes R. R. R. U. E. I.	Train Fuel (Coal)	Total Wages Pay Roll Tax—Fuel	Daily Average Total Wages Pay Roll Tax and Fuel
Year ended February 29, 1948.....	366	\$48,726.91	\$3,157.61	\$35,239.53	\$87,124.05	\$238.04
Year ended February 28, 1949.....	322	\$50,185.79	\$2,108.83	\$36,639.65	\$88,934.27	\$276.19
5 Months, Period—March 1 thru July 31, 1949.....	153	\$23,908.53	\$ 998.74	\$15,677.30	\$40,584.57	\$265.26
8 Months, Period—August 1, 1949 thru March 31, 1950.....	155	\$24,004.24	\$1,152.73	\$17,930.78	\$43,177.75	\$278.57

Note—Trains discontinued account of O. D. T. and I. C. C. Orders:

March 21, 1948 thru May 2, 1948 or 43 Days.
October 26, 1949 thru Nov. 20, 1949 or 26 Days.
January 9, 1950 thru Mar. 11, 1950 or 62 Days.

Source: Southern Railway Company Records.

[fol. 21] IN UNITED STATES DISTRICT COURT

[Title omitted]

SUMMONS AND RETURN

You are hereby summoned and required to serve upon J. T. Stokely, plaintiff's attorney, whose address is 1038 Brown-Marx Building, Birmingham, Alabama, an answer to the complaint which is herewith served upon you, within twenty (20) days after service of this summons upon you, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint.

O. D. Street, Jr., Clerk of the Court. (Seal.)

Dated: May 3, 1950.

Received this writ at Montgomery, Alabama on May 3, 1950 and on May 4, 1950 executed by serving same on: Alabama Public Service Commission; Gordon Persons, its President; Jimmy Hitchcock and C. C. (Jack) Owen, Associate Commissioners by leaving a copy for each with C. C. (Jack) Owen at 523 Dexter Ave., Montgomery, Alabama, at 3:10 P.M.

Further executed on May 4, 1950, by serving same on A. A. Carmichael, Attorney General of the State of Alabama by leaving a copy with him at State Judicial Building, Montgomery Alabama, at 3:15 P. M.

Benjamin F. Ellis, United States Marshal, By Jack S. Johnson, Deputy.

[fol. 22] IN THE UNITED STATES DISTRICT COURT

[Title omitted]

DESIGNATION OF THREE-JUDGE COURT—Filed May 8, 1950

The Honorable Charles B. Kennamer, United States District Judge for the Middle District of Alabama, to whom an application for injunction and other relief has been presented in the above styled and numbered cause, having notified me that the action is one required by act of Congress to be heard and determined by a district court of

three judges, I hereby designate the Honorable Leon McCord, United States Circuit Judge, and the Honorable Seymour H. Lynne, United States District Judge for the Northern District of Alabama, to serve with Judge Kennamer as members of, and with him to constitute, the said court to hear and determine the action.

Witness My Hand this 4th day of May, 1950.

J. C. Hutcheson, Jr., Chief Judge, Fifth Circuit.

(Injunctions—Three-Judge Courts—Designation, 28 U.S.C.A. Sec. 2284.)

[File endorsement omitted.]

[fol. 23] IN UNITED STATES DISTRICT COURT

[Title omitted]

ORDER DIRECTING DEFENDANTS TO ANSWER—Filed May 8, 1950

This case was by order of this court set to be heard at Montgomery, Alabama, Monday, May 22, 1950, at 10:00 A. M.

It is now made known to the court that a summons was issued by the Clerk of the court and served on the defendants by the Marshal commanding the defendants to make answer to the complaint within twenty days from the date the said summons was served by the Marshal.

It is now ordered that the defendants make answer to the bill of complaint on or before May 17, 1950, and serve a copy of said answer on the attorney for the Plaintiff, and that the cause stand for trial on May 22, 1950, at 10:00 A. M., at Montgomery, Alabama.

The Clerk of this court will deliver to the United States Marshal copies of this order to be served forthwith on the defendants.

This 8th day of May, 1950.

(S.) C. B. Kennamer, United States District Judge.

[File endorsement omitted.]

Received this writ at Montgomery, Alabama, on May 8, 1950, and on May 8, 1950 executed by serving same on: Alabama Public Service Commission; Gordon Persons, its

President; Jimmy Hitchcock and C. C. (Jack) Owen, Associate Commissioners, by leaving a copy for each with Richard S. Brooks, Secretary of Alabama Public Service Commission, at 523 Dexter Ave., Montgomery, Alabama, at 4:30 P.M.

Further executed on May 8, 1950 by serving same on A. A. Carmichael, Attorney General of the State of Alabama by leaving a copy with him at State Judicial Building, Montgomery, Alabama, 4:45 P. M.

Benjamin F. Ellis, United States Marshal, by Jack S. Johnson, Deputy.

[fol. 24] IN UNITED STATES DISTRICT COURT

[Title omitted]

MOTION TO STAY CALLING OF THREE-JUDGE COURT—Filed
May 15, 1950

Come the defendants in the above styled cause, without waiving any rights which they may have to object before a three judge District Court to the jurisdiction of such Court, if convoked, and move this Honorable Court to stay its call for two other Federal Judges to sit with the Judge of this Honorable Court in the hearing of the instant cause, and to decree that a three judge District Court need not be convoked in this cause, and as grounds therefor assign the following, separately and severally:

1. The initial question of whether or not a three judge District Court should be called is properly decided by the Judge of this Honorable Court, as a District Judge sitting alone.

2. The averments of the complaint filed herein as to the unconstitutionality under the Federal Constitution of the statutes involved (Tit. 48, Secs. 35 and 106, Code of Alabama 1940) are colorable and on their face without substance, in that plaintiff affirmatively states that "the plaintiff does not ask in this suit for an adjudication of the constitutionality of said statutes as that is a matter primarily for the Supreme Court of Alabama," and admits that the allegations of unconstitutionality of the said statutes are solely for the purpose of avoiding an admission of record. (Par. IV), whereas New Title 28 U. S. C. A., Sec.

2281 does not require a District Court of three judges in such circumstances.

[fol. 25] 3. There is no substantial charge of unconstitutionality of the pertinent statutes of Alabama.

4. Charges of unconstitutionality of the pertinent statutes of Alabama are frivolous.

5. Complainant does not request an adjudication as to the constitutionality of the applicable statutes of Alabama, but on the contrary affirmatively admits that such adjudication is a matter primarily for the Supreme Court of Alabama.

6. The complaint is not directed at state officials who have authority to enforce the statutes and order here involved.

7. The complaint is not directed at officials who have taken steps to enforce the order of the Alabama Public Service Commission here complained of, and in fact it affirmatively appears from the complaint that no such steps have been taken.

8. The allegations in the complaint as to the unconstitutionality of the order of the Alabama Public Service Commission denying authority to plaintiff to discontinue the operation of its trains Nos. 7 and 8 operated between Tuscumbia, Alabama and Chattanooga, Tennessee are insufficient to warrant the convocation of a District Court of three judges.

9. Plaintiff seeks an injunction on the ground of unconstitutionality of the result obtained by the use of statutes which statutes are not attacked as unconstitutional (To-wit, Tit. 48, Secs. 35 and 106, Code of Alabama 1940).

10. Plaintiff has set forth no allegations which require adjudication of this cause by a District Court of three judges.

A. A. Carmichael Attorney General of Ala.; M. R. Nachman Asst. Atty. Gen. of Ala.; Richard T. Rives, Of Counsel for Defense; John C. Godbold, Of Counsel for Defense.

I certify that I have mailed a copy of the foregoing motion to Marion Rushton, Esq., of Counsel for Plaintiff, this the 15th day of May, 1950.

John C. Godbold, Of Counsel for Respondents.

[File endorsement omitted.]

[fol. 26] IN UNITED STATES DISTRICT COURT

[Title omitted]

MOTION TO DISMISS—Filed May 17, 1950

The defendants move the Court as follows:

1. To dismiss the action because the complaint fails to state a claim against the defendants upon which relief can be granted.

2. To dismiss the action because it affirmatively appears that the plaintiff has not exhausted its administrative remedies before the Alabama Public Service Commission.

3. To dismiss the action because the averments of the complaint filed herein as to the unconstitutionality under the Federal Constitution of the statutes involved (Tit. 48, Secs. 35 and 106, Code of Alabama 1940) are colorable and on their face without substance, in that plaintiff affirmatively states that "the plaintiff does not ask in this suit for an adjudication of the constitutionality of said statutes as that is a matter primarily for the Supreme Court of Alabama," and admits that the allegations of unconstitutionality of the said statutes are solely for the purpose of avoiding an admission of record, (Par. IV), whereas new Title 28 U. S. C. A., Sec. 2281 does not require a District Court of three judges in such circumstances.

4. To dismiss the action because there is no substantial charge of unconstitutionality of the pertinent statutes of Alabama.

5. To dismiss the action because charges of unconstitutionality of the pertinent statutes of Alabama are frivolous.

[fol. 27] 6. To dismiss the action because plaintiff does not request an adjudication as to the constitutionality of the applicable statutes of Alabama, but on the contrary affirmatively admits that such adjudication is a matter primarily for the Supreme Court of Alabama.

7. To dismiss the action because the complaint is not directed at state officials who have authority to enforce the statutes and order here involved.

8. To dismiss the action because the complaint is not directed at officials who have taken steps to enforce the order of the Alabama Public Service Commission here complained of, and in fact it affirmatively appears from the complaint that no such steps have been taken.

9. To dismiss the action because the allegations in the complaint as to the unconstitutionality of the order of the Alabama Public Service Commission denying authority to plaintiff to discontinue the operation of its trains Nos. 7 and 8 operated between Tuscumbia, Alabama and Chattanooga, Tennessee are insufficient to warrant the convocation of a District Court of three judges.

10. To dismiss the action because plaintiff seeks an injunction on the ground of unconstitutionality of the result obtained by the use of statutes which statutes are not attacked as unconstitutional (to-wit, Tit. 48, Secs. 35 and 106, Code of Alabama 1940).

11. To dismiss the action because the plaintiff has set forth no allegations which require adjudication of this cause by a District Court of three judges.

12. To dismiss the action because it seeks to enjoin the enforcement of the criminal law of the State of Alabama in a case where there has been no threat of enforcement as against the plaintiff.

13. To dismiss the action because this Honorable Court is asked in the complaint to decide issues of law and of fact the proper decision of which should be made in the state courts of the State of Alabama.

14. To dismiss the action because the decision of the Supreme Court of Alabama upon the constitutionality under the state Constitution of the statutes of Alabama and upon the construction of the statutes would be final, binding and conclusive upon all other courts, and that [fol. 28] this Honorable Court should not undertake a decision on such questions of law or of fact until the same can be decided in the state courts.

15. To dismiss the action because the plaintiff avers that the order complained of in the complaint is in violation of Tit. 48, Code of Alabama 1940, and this Honorable Court should not decide such question prior to a decision on such question by the state courts of the State of Alabama, said question being not one of constitutionality but purely a matter of state law, because a subsequent decision by the state courts of Alabama contrary to any ruling made by this Honorable Court might require modification of such ruling of this Honorable Court.

16. To dismiss the action because this Honorable — should not adjudicate in an injunction proceeding the question of whether the order complained of violates Tit. 48, Code

of Alabama 1940, because the result of an injunction by this Honorable Court, in effect, would be to bar any litigation in state courts of Alabama between the present parties with regard to the order complained of, since the defendants might be barred from enforcing the order and plaintiff would then have no reason to appeal.

17. To dismiss the action because the plaintiff has the right to appeal from the order of the Commission complained of in the complaint to the Circuit Court of Montgomery County, Alabama, in Equity, and thence to the Supreme Court of Alabama, and that the said Circuit Court, or the Judge thereof, upon hearing and notice, after consideration of the testimony taken before the Commission, may direct that such appeal shall stay or supersede the order or action appealed from.

18. To dismiss the action because it seeks an injunction to stay proceedings in a State Court in a cause not expressly authorized by an Act of Congress in aid of the jurisdiction of this Honorable Court or to protect or effectuate its judgments.

19. To dismiss the action because there is no equity in the complaint.

[fol. 29] 20. To dismiss the action because it affirmatively appears from the complaint that the order complained of requires no affirmative action on the part of either the plaintiff or the defendants.

21. To dismiss the action because it affirmatively appears from the complaint that plaintiff seeks an injunction not against the enforcement of an order of the Alabama Public Service Commission, but rather seeks to have this Honorable Court, through the means of an injunction, give affirmative authority to plaintiff to discontinue train service without permission of said Commission, and in violation of the Alabama statutes, and without plaintiff's being subjected to the criminal laws of Alabama for so doing.

22. To dismiss the action because this Honorable Court, as a matter of sound equitable discretion, should decline to exercise its jurisdiction herein.

23. To dismiss the action because this Honorable Court judicially knows that Tit. 48, Secs. 79-93, Code of Alabama 1940 provide plaintiff with a plain, speedy, adequate and efficient remedy in the courts of the State of Alabama.

24. To dismiss the action because this Honorable Court should decline to exercise jurisdiction herein in order to

avoid needless friction with policies of the State of Alabama regarding discontinuance of railroad lines.

25. To dismiss the action because this Honorable Court should restrain its authority and jurisdiction because of scrupulous regard for the rightful independence of state governments.

26. To dismiss the action because a decision of the courts of the State of Alabama may prevent there being any necessity for a decision on federal constitutional grounds.

27. To dismiss the action because this Honorable Court should decline to exercise jurisdiction in order to avoid the possibility of a situation where state officials could no longer enforce the order against the plaintiff herein and thus be barred from testing the matter in the state courts of Alabama.

[fol. 30] A. A. Carmichael, Atty. General of Alabama;
M. R. Nachman, Asst. Atty. Gen. of Alabama;
Richard T. Rives, of Counsel for Defense; John C.
Godbold, of Counsel for Defense, Attorneys for
Defendants.

I certify that we have mailed a copy of the foregoing to
Marion Rushton, Esq., of Counsel for Plaintiff.

John C. Godbold, of Counsel for Defendants.

[File endorsement omitted.]

[fol. 31] IN UNITED STATES DISTRICT COURT

[Title omitted]

DEFENDANTS' ANSWER TO COMPLAINT—Filed May 17, 1930

Come the defendants, jointly, severally and separately, and without waiving the motion to dismiss the complaint or any ground thereof, do expressly insist thereon, nevertheless for answer to the complaint plead and say:

1. They admit the allegations of paragraph I of the complaint.

2. They admit the allegations of paragraph II of the complaint except that they neither admit nor deny that the defendant Alabama Public Service Commission is an administrative as opposed to a judicial body.

3. They admit that this suit is of a civil nature between citizens of different states but deny that the matter in controversy exceeds, exclusive of interest and costs, the sum of \$3000.00. They deny that this suit arises under the Fourteenth Amendment to the Constitution of the United States.

4. They admit that by Tit. 48, Secs. 35 and 106 of the Code of Alabama 1949, plaintiff and other common carriers by railroad are required to file an application with the Alabama Public Service Commission for a permit to abandon all or any portion of its service to the public or the operation of [fol. 32] any of its lines, property or plant which would affect the service it is rendering to the public, with certain exceptions not here pertinent, and it is further required to obtain from the Commission a permit allowing such abandonment before it can lawfully abandon operation of passenger trains, or any other service it is rendering to the public or its lines of railroad in Alabama. They deny that no standards for the guidance of the Commission are prescribed, and they aver that standards of present and future convenience and necessity are prescribed, and that such standards are as definite as are practicable and as the circumstances require or permit. They deny that the said statutes or either of them, are unconstitutional and void as an unlawful delegation of legislative power or upon any other ground. They admit that the adjudication of the constitutionality of such statutes is a matter primarily for the Supreme Court of Alabama. They admit that on, to-wit, the 13th day of September, 1948, the plaintiff filed with the Alabama Public Service Commission an application for authority to discontinue operation of local interstate passenger trains Nos. 7 and 8 between Tuscumbia, Alabama, and Chattanooga, Tennessee. They deny the averments of fact contained in said application and repeated therefrom in paragraph IV of the complaint.

5. They admit that hearing on the plaintiff's application was continued as alleged but aver that this was caused by requests from the affected public and the crowded condition of the docket of the Alabama Public Service Commission. They admit that the hearing was held on, to-wit, October 6, 1949, and a report and order were rendered on, to-wit, April 3, 1950, denying plaintiff's said application for authority to discontinue operation of the said two trains. They admit that the plaintiff offered evidence as alleged,

but they deny that the plaintiff's losses from operation of the said two trains from March 1, 1947 to July 31, 1949, was burdensome or became progressively more burdensome. They deny all the averments of fact relating to and contained in "Exhibits 1, 2, 3, 4 and 5 submitted to the Commission and made a part of the complaint herein as exhibits. They deny all other allegations of paragraph V of the complaint.

[fol. 33] 6. They deny the allegations of paragraph VI of the complaint:

7. They deny the averments of paragraph VII of the complaint.

8. They deny the averments, conclusions of fact and law and statements of opinion of paragraph VIII of the complaint, and aver that the facts are truly found and reported in the report and order of the Commission dated April 3, 1950, denying plaintiff's application for authority to discontinue operation of the said two passenger trains insofar as the same are operated in Alabama, Exhibit A hereto.

9. They deny that plaintiff has exhausted all administrative remedies available to it, and aver to the contrary that plaintiff has a full, adequate and complete administrative remedy under the laws of the State of Alabama, including the right to apply to the Commission for a rehearing. They aver that plaintiff has a further right to appeal from any final action or order of the Commission to the Circuit Court of Montgomery County, Alabama, in Equity, and thence to the Supreme Court of Alabama, and the right to have such order or decree of the Commission set aside if the Court finds that the Commission ordered to the prejudice of the plaintiff substantially in its application of the law, or that the order or decree was based upon a finding of fact contrary to the substantial weight of the evidence. They deny that there has been or will be any confiscation of plaintiff's property.

And now having fully answered the plaintiff's complaint, the defendants pray that they may be discharged hence with their reasonable costs incurred.

A. A. Carmichael, Atty. General of Alabama; M. B. Nachman, Asst. Atty. General of Ala.; Richard T. Rives, of Counsel for Defense; John C. Godbold, of Counsel for Defense, Attorneys for Defendants.

I certify that I have mailed a copy of the foregoing answer to Marion Rushton, Esq., Montgomery, Ala., of Counsel for Plaintiff.

John C. Godbold, of Counsel for Defendants.

[File endorsement omitted.]

[fol. 34]

EXHIBIT "A" TO ANSWER

State of Alabama

Alabama Public Service Commission

Montgomery 1, Alabama

SOUTHERN RAILWAY COMPANY, Petitioner

Petition: For authority to discontinue petitioner's passenger trains Nos. 7 and 8 between Tuscumbia, Alabama, and Chattanooga, Tennessee.

Docket 11988

Submitted: October 6, 1948. Decided: April 3, 1950

Appearances:

Charles Clark, Earl Eisenhart and J. T. Stokely, for petitioner.

Walter J. Price, James E. Smith, Jr., Patrick B. Harris, Vernon P. Crockett, Roy C. Wall, John B. Sockwell, E. J. Henninger, P. E. Kennamer, W. J. Kennamer and M. E. Popejoy, for protestants.

J. P. Knight, W. F. Wilson, M. H. Rodgers and A. L. Gurley, for various railway labor organizations.

MacDonald Gallion, for the State of Alabama.

REPORT AND ORDER OF THE COMMISSION

On September 13, 1948, the Southern Railway Company filed a petition requesting that it be duly authorized and permitted in the manner prescribed by law to discontinue the operation of passenger trains Nos. 7 and 8 between Tuscumbia, Alabama, and Chattanooga, Tennessee, insofar as they are operated in Alabama. Petitioner submitted with

its request a statement of the revenue derived from the operation of trains Nos. 7 and 8 and the direct expenses allegedly incurred in such operation for the 12 months' period ended February 29, 1948, which purports to show such expenses to be \$78,710.74 in excess of the revenue and therefore justifying its request.

By notice dated March 25, 1949, the matter was assigned for public hearing before the Commission at Huntsville, Alabama, on June 2, 1949. Upon request of representative of the affected public, the hearing was, by notice dated May 13, 1949, postponed and reset for August 4, 1949. Again by notice dated July 11, 1949, for cause shown, the hearing was postponed and reset for October 6, 1949, and accordingly held in Huntsville on that date at which time the above appearances were entered.

Trains Nos. 7 and 8 are so-called local passenger trains and operated only between Sheffield-Tuscumbia, Alabama, adjacent cities, and Chattanooga, Tennessee, daily. Train No. 8 leaves Sheffield-Tuscumbia at 5:55 a. m. and scheduled [fol. 35] to arrive at Chattanooga at 10:50 a. m. Train No. 7 leaves Chattanooga at 4:15 p. m. and scheduled to arrive at Sheffield-Tuscumbia at 9:05 p. m. According to a schedule submitted by petitioner, train No. 8 makes regular stops at all intermediate points shown, whereas train No. 7 makes regular stops at Scottsboro, Paint Rock, Huntsville, Madison, Decatur, Courtland, Town Creek and Leighton with flag stops at all other stations. The overall time between termini is approximately 5 hours for the distance of 166.4 miles. The general consist of these trains is a steam locomotive, one express car, one combination mail and baggage car, one coach divided for white and negro passengers and one coach for white passengers. The coaches are of steel construction and screened but not air-conditioned. At the hearing, an operating witness for petitioner testified that the operation of the express car was discontinued about 4 months prior thereto. The record also shows that no express car was operated for at least 8 months in 1947. We presume that at the present time this particular car is not operated.

Petitioner also operates over its line between Tuscumbia and Chattanooga passenger trains Nos. 35 and 36 which run between Memphis, Tennessee and Chattanooga with train No. 35 leaving Chattanooga at 7:00 a. m. and arriving Shef-

field-Tuscumbia at 12:20 p. m. and train No. 36 leaving Sheffield-Tuscumbia at 12:40 p. m. arriving Chattanooga at 6:00 p. m. These trains are Diesel powered and obviously consist of two separate units operating in opposite directions daily and evidently passing at Tuscumbia. Clearly the schedules of these trains are not comparable to or afford the convenience of those by trains Nos. 7 and 8 with early morning service in one direction and late afternoon and evening service in the other. Petitioner also operates over this line passenger trains Nos. 45 and 46 which are Diesel powered streamliner trains between Memphis, Tennessee and Washington, D. C., train No. 45 leaving Chattanooga at 11:50 p. m. arriving Tuscumbia at 4:10 a. m. and train No. 46 leaving Tuscumbia at 11:10 p. m. arriving Chattanooga at 3:10 a. m. with regular stops at Decatur and Huntsville only and conditional stops at Scottsboro and Stevenson. All schedule times shown are Central Standard.

According to the record, of the 22 stations on the Southern Railway between Tuscumbia and Chattanooga, 14 towns and cities are incorporated with a total population of 38,985 within the incorporated limits as of the 1940 Federal Census and 8 are unincorporated with a total population of 1,375 estimated by petitioner as being within sight of the stopping place of the passenger trains. These figures, of course, do not include the outlying or farm population and that of Sheffield, Tuscumbia or Chattanooga.

[fol. 36] As petitioner's request for authority to discontinue trains Nos. 7 and 8 is based entirely upon the position that the revenues derived from the operations of these trains are not sufficient to offset the expense incurred, it has submitted in evidence statements purporting to show operating results of trains Nos. 7 and 8 for the 12 months from March 1, 1947 to February 29, 1948, inclusive, the 12 months from March 1, 1948 to February 28, 1949, inclusive, and the 5 months from March 1, 1949 to July 31, 1949, inclusive. The revenues shown are those accruing from passenger, mail, express and milk. The expenses shown are direct expenses "actual," including wages to crewmen, payroll tax, retirement and unemployment insurance, train fuel, damage to livestock on right of way, injuries to persons and damage to property of others and direct expenses "apportioned," including enginehouse expense, passenger locomotive expenses and passenger train

car expenses and also costs of trackage rights over the Nashville, Chattanooga and St. Louis Railway and use of Chattanooga Passenger Station. For the first 12 months' period the revenues are shown as \$98,842.92 and expenses as \$177,553.66, for the second 12 months' period, revenues as \$79,956.27 and expenses as \$182,283.20, and for the 5 months' period, revenues as \$30,745.28, and expenses as \$53,692.56 resulting in the expenses being \$78,710.74, \$102,326.93 and \$53,692.56, respectively in excess of the revenues.

In regard to revenues, petitioner can, no doubt, determine accurately the revenue from passenger tickets sold and conductors' fares collected on these trains and can likewise accurately determine the revenue from milk. The express revenue, however, does not necessarily reflect the actual volume of such traffic handled but based upon the amounts paid to petitioner by the Railway Express Agency for express privileges. All express charges are collected by the Agency and after deducting its expenditures from the gross revenue the balance is prorated among the various railroads on a percentage basis formulated in about 1936. The proportion received by petitioner is then allocated to the trains in question on basis of the car-foot mile of space on these trains devoted to express service as related to the total car-foot miles maintained over the system. The record shows that effective June 23, 1949, the express car in trains Nos. 7 and 8 was eliminated resulting in only 5 feet of space being assigned to express with service at no intermediate point except Decatur. Therefore, the revenue now allocated to these trains from express traffic has been practically eliminated. The mail revenue is assigned on basis of contract with the Post Office Department based upon rates of pay prescribed by the Interstate Commerce Commission. An adjustment brought to attention of petitioner after the submitted revenue statements were prepared disclosed that these trains should be credited [fol. 37] with additional mail revenue for mail actually carried but not included in the contract which would, for the two 12 months' periods and the 5 months' period shown above, increase the mail pay by approximately \$4,700.00, \$4,100.00 and \$2,000.00 respectively, thereby reducing the alleged deficits accordingly.

Included in "actual" direct expenses, petitioner has shown wages paid train and engine crews including payroll

tax and retirement and unemployment insurance. A crew consists of engineer, fireman, baggagemaster, conductor and flagman with a porter on Saturdays and Sundays. Two full crews are used with one crew making a round-trip one day and laying off the next. By using the period March 1, 1948, to February 28, 1949, as fairly representative, which is the latest full 12 months period shown, the wages for crew members, including tax, etc., amounted to \$52,294.62. During this same period the total revenues were \$84,056.27, including \$4,100.00 added to the mail pay, or \$31,761.65 in excess of wages actually paid for handling these trains. The other expenses in this period and shown as actual include train fuel, injuries to persons and damage to property amounting to \$36,639.65, \$807.00 and \$1,252.50 respectively. The above cost for coal represents an average of \$100.38 per day for the round-trip distance of 333 miles or 30.1 cents per mile. In a recent proceeding before the Commission involving a major railroad operating in Alabama seeking authority to discontinue an almost identical type of passenger service the per day cost for coal for fuel was shown as \$60.35 for a round-trip of 224 miles or 26.9 cents per mile and reflecting the 1948 average costs. Assuming the latter to be a reasonable average in Alabama for steam locomotives used in local passenger trains of three or four cars, the expense for train fuel on trains Nos. 7 and 8 would have been \$89.91 per day or \$32,817.15 for the 365 days instead of \$36,639.65, a difference of \$3,822.50. It is true that operating conditions will vary within the State but the above clearly indicates that a slight difference in computing the cost per locomotive mile will produce a very wide difference over a period of 12 months involving many thousands of locomotive miles. Petitioner avers that the figure shown represents the cost of fuel actually consumed by these trains. In other similar proceedings petitioners have taken the position that the fuel consumed by locomotives on a particular run cannot be accurately determined except in isolated cases where the locomotives used on a run are the only ones taking coal from a particular stock pile or chute. If the latter is true in this case it is not shown by the record. Nevertheless, the cost of train fuel constitutes a considerable item in operation of trains Nos. 7 and 8 indicating a rather large steam locomotive. Petitioner has submitted in evidence a photograph of the equipment generally used in these trains. This photograph shows locomotive No. 6317 which appears to have a

[fol. 38] 2-8-2 wheel arrangement, that is, two small wheels in front, eight drivers and two small wheels under the cab. If true, it is known as a Mikado type and capable of pulling considerably in excess of the usual consist of these trains. According to our information, the above locomotive, exclusive of tender, weighs 288,000 pounds or 144 tons. In 1947 the average weight of all steam passenger locomotives, exclusive of tenders, used in the Southern Region was 146 tons, therefore, this locomotive closely approximates the average size used in all types of steam propelled passenger train service in the southeast. In 1947 the average for the United States of such passenger locomotives was 145 tons and in 1937 was 129 tons indicating a trend toward purchasing larger locomotives and retiring small ones resulting in increased operating costs on short and light local passenger trains unless small units are retained for such service. In view of the locomotive in question being about the average weight it does appear that smaller and less expensive units should be available for this type of service.

For the above period petitioner has charged these trains with a total of \$2,059.50 for injuries to persons and damage to property represented as actually incurred in such operation. While this amount can be directly attributable and incidental to the operation, it is entirely possible that such expense was caused by negligence on the part of petitioner's employees and therefore some question exists as to whether it should be used as an item of expense for the purpose of discontinuing the service to the public or absorbed by the railroad as a self-insurer.

In regard to direct expenses "apportioned" during this 12 months period petitioner has shown an amount of \$10,624.05 for enginehouse expenses. It is our understanding that apportioned expenses reflect more or less a system average arrived at on basis of the mileage each type or class of equipment included in each category of expense is operated. We have no means of checking the costs of operation submitted by petitioner except from its Annual Report to this Commission for the year 1948 and which does not contain statistics of rail-line operations separated between steam passenger train operations and other than steam, therefore, this would only provide a general overall average. During this year petitioner's principal helper and light locomotives in passenger service operated a total of 10,445,618 locomotive miles. During the 12 months period here

considered, largely in 1948, trains Nos. 7 and 8 operated 322 days, having been discontinued March 21, 1948 thru May 2, 1948, for a total of 107,266 locomotive-miles or 01.0265 percent of the system figures. For 1948 the total enginehouse expense under Account 400 was \$904,168 attributable to passenger service. The above percentage of this expense is \$9,281.27 or \$1,342.78 less than the amount [fel. 39] claimed by petitioner. This group of apportioned expenses includes under passenger locomotive amounts of \$1,769.78 for water, \$3,010.81 for lubricants and \$1,391.83 for other supplies. The system total for these items in 1948 were \$94,179, \$257,761 and \$89,454 respectively under Accounts 397, 398 and 399. The above percentage of these expenses are \$966.75, \$2,645.92 and \$918.25 or \$803.03, \$364.89 and \$473.58 less than the amounts shown by petitioner. For passenger locomotive repairs petitioner has allocated \$40,349.78 which it submits is based on a study of the class or heavy repairs and light or running repairs made for the past six or seven years on the locomotive used on this run and the costs divided by the miles operated between shopping to arrive at an average per mile. This average is then multiplied by the miles operated during the period shown. The above figure is somewhat less than that based on the system average for 1948. It is our understanding, however, that the Association of American Railroads accepts 86 percent of the average costs for locomotive repairs as representative of the proportion affected by use as some locomotive in service remain idle for a portion of the time. On this basis the above figure should be \$34,700.81 for such repairs or \$5,648.97 less than shown.

Admittedly the above comparisons for enginehouse expense and for locomotive water, lubricants and other supplies involves the passenger locomotive operations of petitioner as a whole, nevertheless, it is not unreasonable to question why the cost of these items in operating the locomotive on trains Nos. 7 and 8 should be greater than the average for the entire system.

For this period the five items of apportioned expenses discussed above are shown by petitioner to total \$57,146.25. On basis of the system averages for enginehouse expense, locomotive water, lubricants and other supplies and 86 percent of the average cost of locomotive repairs, the total of the five items would be \$48,513.00 or \$8,633.25 less than computed by petitioner. We are unable to check from petition-

er's annual report for 1948 the system average expense on passenger train cars for cleaning, heating, lights, lubricants, etc., except that for passenger train car repairs which includes all types of such equipment. This average per car-mile for the total car miles operated on trains Nos. 7 and 8 reflects an amount slightly higher than the \$15,136.77 shown by petitioner, however, it is also our understanding that the commonly accepted basis for computing the cost affected by use is 50 percent of the average as passenger train cars are idle a large portion of the time. On this basis the amount shown by petitioner would be considerably reduced.

As previously shown, the period dealt with above is the 12 months from March 1, 1948 to February 28, 1949, inclusive, during which these trains were discontinued on March 21, 1948, through May 2, 1948 pursuant to O. D. T. [fol. 40] General Order No. 69. In this period petitioner shows its revenues were \$79,956.27 and direct expenses, actual and apportioned, were \$182,283.20 resulting in the expenses being \$102,326.93 in excess of the revenues. Assuming this to be correct it should be borne in mind that if the trains in question are discontinued this amount would not revert to petitioner in the form of a saving as approximately 38 or 40 percent of any amount saved will be absorbed by additional income tax.

The other two periods covered in the record will not be discussed in detail. During the 12 months from March 1, 1947 to February 29, 1948, petitioner shows its revenues to be \$98,842.92 and expense \$177,553.66 or a difference of \$78,710.74. During the five months period from March 1, 1949, to July 31, 1949, the revenues are shown as \$30,745.28 and expenses as \$84,437.84 making a difference of \$53,692.56. The average revenues per day during the three periods were \$270.06, \$248.31 and \$200.95 respectively indicating a progressive decrease while the direct expenses, according to petitioner, averaged \$485.12, \$566.10 and \$551.88 respectively, per day, indicating an appreciable increase in the second period and slight decrease in the third period.

The purpose of the previous comparisons in the second period of the apportioned expenses as shown by petitioner and those arrived at by using averages in the annual report or otherwise, is not an attempt on the part of the Commission to determine what the proper expenses should be, but to show that different methods of computing such costs could well produce different results. In this case the result would

appear to be several thousands of dollars less than shown. Without painstaking study by special accountants of petitioner's records over a period of time, the Commission could not be in a position to determine with any degree of accuracy whether or not petitioner has submitted cost figures closely reflecting the actual results of operating trains Nos. 7 and 8, nevertheless, it is our considered opinion that under the circumstances reliance upon the alleged costs as being true and correct would necessarily be in the light of absolute maximum expenses rather than the minimum expenses, thereby casting a degree of doubt upon their true value.

In view of petitioners position that the cost of operating the present type of trains Nos. 7 and 8 is not commensurate with the revenue, protestants have inquired why a comparatively small Diesel electric train, formerly operated on this line was discontinued. This train consisted of one complete unit containing a motive power, a mail compartment and a baggage compartment and with an attached trailer car partitioned for white and colored passengers. This equipment was placed in service on the line between Sheffield and Chattanooga in 1939 at which time petitioner purchased six complete units at approximately \$90,000 each. [fol. 41] Obviously the running costs of these trains would be considerably less than the present equipment, however, petitioner contends that the Diesel units did not prove as satisfactory as expected due to certain mechanical difficulties encountered in operation necessitating frequent shopping and therefore requiring steam stand-by equipment. Nevertheless, this Diesel unit was used on this run for several years and then transferred to another division where other such units were in service. Regardless of frequent shopping we are convinced that had this light Diesel equipment been retained on this line, the operating expenses here shown for the type of equipment now used would be substantially less, not only, in mechanical operating costs but also in wages, despite the fact that no costs are shown in the record during the time Diesel power was used. In fact we are inclined to the opinion that this change was a forethought toward ultimate discontinuance of trains Nos. 7 and 8.

Petitioner has stressed the decline in the volume of passenger travel which it attributes to a great extent to highway travel by motor bus and private automobile. Paved highways closely paralleled or are adjacent to the right-of-

way of petitioner between Bridgeport and Tuscombua with frequent daily bus schedules, however, several towns are located from one to two miles from the main highway. No question exists as to the increase in the number and use of private automobiles since the war. It seems to us that the railroads generally have resigned themselves to the fact that this competition must be accepted in a docile manner without attempting to meet it in a substantial and earnest effort. It has been our observation that in many cases the public prefers the safety of rail transportation provided same is comfortable and otherwise attractive. Where railway passenger service of long standing, such as here involved, is discontinued there is always present, unfortunately, a certain element or group of people who, because of their circumstances or location, must of necessity depend entirely upon rail service. While this group is perhaps of itself not sufficiently large to warrant such continued service, it must depend upon the support of others not so unfortunately situated. The only way this support can be obtained is by rail service so attractive and desirable as to meet competing factors.

In 1948 the Interstate Commerce Commission realized fully the inroads that competitive modes of transportation were making in carriers revenue when it stated on page 3 of its Sixty-Second Annual Report to the Congress as follows:

"While not unmindful of the many efforts which the railroads individually and to some extent collectively are making to increase the efficiency of particular operations, and while appreciative of the fact that most railroads face difficulties in securing outside funds with which to effect cost-reducing fixed improvements, we are of the view that much more must be done to increase the efficiency and reduce the costs of railroad operations. Opportunities of this kind extend from the multitude of minor day-to-day operations to large-scale changes in practices which require both careful planning and substantial capital investments. Lapses in operating procedures which lower standards of service are costly to correct and discourage the use of rail service. A thorough searching out of better ways of doing these lesser things which constitute a railroad's day's work must be undertaken. Bold experimentation

with new devices and methods seem also to be required in some instances. * * * Imagination and ingenuity must be brought to the task. The responsibility for effecting improvements lies directly with the railroads. It will be our purpose, however, to furnish such help as may be possible."

We are not convinced that the railroads generally have taken this admonition as seriously as they should. It appears that they have largely elected to depend upon the Interstate Commerce Commission granting relief in the form of increased fares as indicated in the last sentence above but experience with such procedure has not resulted in increased passenger revenues but discouraged patronage. Effective July 1, 1949, the passenger fare in coaches in Alabama was permitted to be increased from a base of 1.65 cents per mile to 2.5 cents per mile. According to our information this has not produced favorable results. Therefore, two other alternatives remain, either that of discontinuing all such passenger service as here involved or cause available economies to be invoked. To do the first would seriously affect the public need and welfare in many sections of the south where the continued growth, prosperity and well being of communities depend almost entirely upon rail transportation for their people, their express and their mail. In regard to economies, we firmly feel that in this case the petitioner has made no attempt to explore the possibilities of a more economic operation but has steadfastly maintained an expensive operating level. This is indicated by the fact that it discontinued the use of a light Diesel unit which unquestionably was rendering adequate and attractive service and substituted a much heavier and expensive steam operation and the fact that with the exception of the six light Diesel units previously mentioned and purchased in 1939, it has not made nor does it appear that it intends to make any experiments with low cost passenger train equipment.

The basic foundation of a railroad is its service to the public and which must be adequate and efficient for its survival. Realizing this and in view of the tremendous effect that competing forms of transportation have been having upon the railroad passenger operations, which competition has been growing steadily in the past few decades and will continue to do so as long as the railroads persist in utilizing

equipment which was standard many years ago, the manufacturers of railroad passenger equipment have for the past few years been developing better, more efficient and more attractive passenger units and yet involving smaller investments and lower operating costs, which the primary purpose [fol. 43] of enabling the railroad to continue to serve the public adequately and efficiently, particularly in its comparatively short haul or local operations as is here the case.

One such company, The Budd Company of Philadelphia, Pennsylvania, has recently placed on the market a Diesel operated passenger coach which contains its own power unit and can be operated independently or as many units as desired can be operated into a train. Each unit is 85 feet long and is made in three types. One is strictly a coach seating 90 passengers, another is a combination baggage and passenger unit seating 71 passengers and the other is a combination Railroad Post Office, baggage and passenger unit seating 49 passengers. These units, either single or in combination, can be satisfactorily operated in either direction eliminating the expense and necessity of turning the entire train at terminals. In our opinion, the latter mail, baggage and passenger unit would, with minor modifications, be suitable for operation on the line involved in this proceeding.

This unit now costs \$129,220.00 and, according to cost studies made, can be operated in units of two, at approximately 73 cents per train mile. Three men would be the maximum crew required. The above information was obtained directly from the manufacturer.

In dealing with the matter of an economic operation it is not our purpose to attempt to dictate the managerial policy of the railroad but to point out that such matters could and should be thoroughly and carefully investigated before the public is deprived of a needed service and the "bold experiments" if necessary should be invoked. In this case, as we have stated, no such attempt has apparently been made. Therefore, the public and the Commission is entitled to know whether or not a service can be made to bear its costs or to yield a profit before it should be summarily discontinued. Until such a showing is made by petitioner that it has found experimentation with other devices or other available avenues of economy are ineffectual, we will view with reluctance a request to abandon a service meeting a public need.

Upon careful consideration of all the evidence, we find that the present and future public convenience and necessity are not shown to permit the discontinuance of petitioner's passenger trains Nos. 7 and 8, that an element of doubt exists as to the extent to which petitioner alleges it is sustaining losses in the operation of said passenger trains and that petitioner has not attempted to fulfill its duty to the public by exercising available economies to offset any losses that may be incurred in such operation to which the public is justly entitled in order that its needs may not be jeopardized.

[fol. 44] The premises considered:

It is ordered by the Commission, That the petition of the Southern Railway Company filed on September 13, 1948, requesting authority to discontinue the operation of passenger trains Nos. 7 and 8 between Tuscumbia, Alabama, and Chattanooga, Tennessee, insofar as they are operated in the State of Alabama, be and it is hereby denied.

Dated at Montgomery, Alabama, this the 3rd day of April, 1950.

Alabama Public Service Commission, Gordon Persons, President; Jimmy Hitchcock, Associate Commissioner; C. C. (Jack) Owen, Associate Commissioner.

Attest:

A true copy. Richard S. Brooks, Secretary.

[fol. 45] IN THE UNITED STATES DISTRICT COURT

[Title omitted]

MOTION TO STAY FURTHER ACTION—Filed May 17, 1950

The defendants move this Honorable Court to stay any further actions, orders, or decrees in this cause pending the determination in the State courts of the State of Alabama of the appeals which may be taken by the plaintiff from the orders or decrees of the Alabama Public Service Commission complained of in the complaint, and as grounds therefor assign the following:

1. That this Honorable Court is asked in the complaint to decide issues of law and of fact the proper decision of which should be made in the state courts of the State of Alabama.

2. That the decision of the Supreme Court of Alabama upon the constitutionality under the state Constitution of the statutes of Alabama and upon the construction of the statutes would be final, binding and conclusive upon all other courts, and that this Honorable Court should not undertake a decision on such questions of law or of fact until the same can be decided in the state courts.

3. That the plaintiff avers that the order complained of in the complaint is in violation of Tit. 48, Code of Alabama 1940, and this Honorable Court should not decide such question prior to a decision on such question by the State Courts of the State of Alabama, said question being not one of constitutionality but purely a matter of state law, and a subsequent decision by the state courts of Alabama contrary to any ruling made by this Honorable Court might require modification of such ruling of this Honorable Court.

[fol. 46] 4. This Honorable Court should not adjudicate in an injunction proceeding the question of whether the order complained of violates Tit. 48, Code of Alabama 1940, because the result of an injunction by this Honorable Court, in effect, would be to bar any litigation in state courts of Alabama between the present parties with regard to the order complained of, since defendants might be barred from enforcing the order and plaintiff would then have no reason to appeal.

5. That the plaintiff has the right to appeal from the order of the Commission complained of in the complaint to the Circuit Court of Montgomery County, Alabama, in Equity, and thence to the Supreme Court of Alabama, and that the said Circuit Court, or the Judge thereof, upon hearing and notice, after consideration of the testimony taken before the Commission, may direct that such appeal shall stay or supersede the order or action appealed from.

6. That no action has been taken by any of the State officers of Alabama to enforce said order.

Further, the defendants move this Honorable Court to stay any further actions, orders or decrees in this cause pending the determination by the Supreme Court of the United States of an appeal in the case of Alabama Public Service Commission, et als., appellant versus Southern Railway Company, a corporation, appellee, decided by a three-judge federal court of this district by decree of February —, 1950.

A. A. Carmichael, Attorney General of Alabama. M. R. Nachman, Asst. Atty. General of Alabama. Richard T. Rives, of Counsel for Defense. John C. Godbold, of Counsel for Defense, Attorneys for Defendants.

I certify that we have mailed a copy of the foregoing motion to Marion Rushton, Esq., of Counsel for Plaintiff.

John C. Godbold, of Counsel for Defendants.

[File endorsement omitted.]

[fol. 47] IN THE UNITED STATES DISTRICT COURT

[Title omitted]

PETITION FOR APPEAL—Filed September 18, 1950

To the Honorable Charles B. Kennamer, Judge of the District Court of the United States for the Middle District of Alabama, Northern Division:

Considering themselves aggrieved by the final decree and judgment of this Honorable Court entered on July 20, 1950, the Alabama Public Service Commission, Gordon Persons, as its President, Jimmy Hitchcock and C. C. (Jack) Owen, as Associate Commissioners, and A. A. Carmichael, as Attorney General of the State of Alabama, the defendants herein, do hereby pray that an appeal be allowed to the Supreme Court of the United States from said final decree and judgment and from each and every part thereof; that citation be issued in accordance with law; that an order be made with respect to the appeal bond to be given by said defendants, and that the amount of security for costs be fixed by the order allowing the appeal, and that the material parts of the record, proceedings and papers upon which said final judgment and decree was based duly authenticated be sent to the Supreme Court of the United States in accordance with the rules in such cases made and provided.

Respectfully submitted, A. A. Carmichael, Attorney [fol. 48] General of Alabama. Wallace L. Johnson, Assistant Attorney General of Alabama. Richard T. Rives, of Counsel for Defendants-Appellants. John C. Godbold, of Counsel for Defendants-Appellants.

[File endorsement omitted.]

[fol. 49] IN THE UNITED STATES DISTRICT COURT

[Title omitted]

ORDER ALLOWING APPEAL—Filed September 18, 1950

The Alabama Public Service Commission, Gordon Persons, as its President, Jimmy Hitchcock and C. C. (Jack) Owen, as Associate Commissioners, and A. C. Carmichael, as Attorney General of the State of Alabama, the defendants herein, having made and filed their petition praying for an appeal to the Supreme Court of the United States from the final judgment and decree of this Court in this case entered on July 20, 1950, and from each and every part thereof, and having presented their assignment of errors and prayer for reversal and their statement as to the jurisdiction of the Supreme Court of the United States on appeal pursuant to the statutes and rules of the Supreme Court of the United States in such cases made and provided,

Now, therefore, it is hereby ordered that said appeal be and the same is hereby allowed as prayed for.

It is further ordered that the amount of the appeal bond be and the same is hereby fixed in the sum of \$500.00 with good and sufficient surety, and shall be conditioned as may be required by law.

It is further ordered that citation shall issue in accordance with the law.

Done this 18 day of September, 1950.

C. B. Kennamer, Judge.

[File endorsement omitted.]

[fol. 50] Citation in usual form, filed Sept. 18, 1950, omitted in printing.

[fol. 51] IN THE UNITED STATES DISTRICT COURT

[Title omitted]

ASSIGNMENT OF ERRORS AND PRAYER FOR REVERSAL—Filed
September 18, 1950

Alabama Public Service Commission; Gordon Persons, its President; Jimmy Hitchcock and C. C. (Jack) Owens, Associate Commissioners; and A. A. Carmichael, Attorney General of the State of Alabama, defendants in the above-entitled cause, in connection with their appeal to the Supreme Court of the United States, hereby file the following assignment of errors upon which they will rely in their prosecution of said appeal from the final judgment of the District Court entered on July 20, 1950.

The District Court of the United States for the Middle District of Alabama, Northern Division (single judge) erred:

1. In failing and refusing to grant defendants' motion to stay the call of a three-judge federal court, which motion was filed on, to wit, the 15th day of May, 1950, and overruled and denied by the three-judge court on July 20, 1950.

The three-judge District Court of the United States for the Middle District of Alabama, Northern Division erred:

1. In overruling and denying the motion of the defendants to dismiss the action, which motion was overruled and denied on July 20, 1950.

2. In overruling and denying the motion of the defendants to stay the action pending determination in the courts of the State of Alabama of the appeals which might be taken by the plaintiff from the orders or decrees of the Alabama Public Service Commission complained of in the complaint, which motion was overruled and denied on July 20, 1950.

[fol. 52] 3. In rendering the final decree rendered on July 20, 1950.

4. In assuming jurisdiction of this cause.

5. In exercising jurisdiction of this cause.

6. In proceeding with the hearing of this cause prior to the determination in the courts of the State of Alabama of

the appeals which might be taken by the plaintiff from the order or decree of the Alabama Public Service Commission complained of in the complaint.

7. In vacating and declaring null and void and of no effect the order of the defendant Alabama Public Service Commission dated April 3, 1950.

8. In assuming jurisdiction to enjoin enforcement of the criminal law of the State of Alabama.

9. In decreeing that a permanent injunction be issued, enjoining the defendants and each of them, and their successors in office and their agents and attorneys, from taking any steps or proceedings of any nature whatsoever against the plaintiff, its officers, agents or employees, to enforce the provisions of the order of the Alabama Public Service Commission dated April 3, 1950, denying plaintiff authority to abandon certain train service, or to enforce any penalties, fines, forfeitures or other sanctions provided by Title 48, Code of Alabama, 1940, or any remedies against the plaintiff, its officers, agents or employees, on account of the failure to observe the provisions and requirements of said order by abandoning and discontinuing operation of certain passenger trains between Tuscumbia, Alabama, and Chattanooga, Tennessee, insofar as they are operated within the State of Alabama.

Wherefore, defendants pray that the said decree of the District Court be reversed and that said Court be ordered to enter a decree dismissing said action, or else to enter a decree staying any further actions, orders or decrees pending the determination in the Alabama Public Service Commission and in the courts of the State of Alabama of the petitions and appeals which might be filed by the plaintiff relating to the matters complained of in the complaint, and that the defendants be awarded their costs.

[fols. 53-63] A. A. Carmichael, Attorney General of the State of Alabama; Wallace L. Johnson, Asst. Attorney General of the State of Alabama; Richard T. Rives, of Counsel for the Defendants; John C. Godbold, of Counsel for the Defendants.

[File endorsement omitted.]

[fol. 64] IN THE UNITED STATES DISTRICT COURT FOR THE
MIDDLE DISTRICT OF ALABAMA, NORTHERN DIVISION

Civil Action No. 681

SOUTHERN RAILWAY COMPANY, a Corporation, Plaintiff,

vs.

ALABAMA PUBLIC SERVICE COMMISSION, GORDON PERSONS, Its
President, and Jimmy Hitchcock and C. C. (Jack) Owen,
Associate Commissioners; and A. A. Carmichael, Attor-
ney General of the State of Alabama, Defendants

OPINION, FINDINGS OF FACT AND CONCLUSIONS OF LAW—Filed
July 20, 1950

Before McCord, Circuit Judge, Kennamer and Lynne,
District Judges

LYNNE, District Judge:

Resting the jurisdiction of the district court upon the Federal question and amount in controversy provisions of Title 28, Section 1331, U. S. C. A., or upon the diversity of citizenship and amount in controversy provisions of Title 28, Section 1332, U. S. C. A., and that of a district court of three judges upon the provisions of Title 28, Section 2281, U. S. C. A., plaintiff, a Virginia corporation, complained of the Alabama defendants and prayed for both temporary and permanent injunctive relief against them.

Plaintiff's basic insistence is that the revenue derived from the operation of its passenger trains Nos. 7 and 8 between Tuscumbia, Alabama, and Chattanooga, Tennessee, is grossly disproportionate to the direct expenses and that the continuation of such train service is not demanded or required by the public necessities.

Alleging the exhaustion of administrative remedies, plaintiff exhibits its petition for a permit allowing abandonment of such service, filed with defendant, Alabama Public Service Commission, September 13, 1948, pursuant to the requirements of Title 48, Sections 35 and 106, Code of Alabama, 1940. There follow averments calculated to show undue delay in the hearing and consideration of the petition culminating in an adverse order entered by defendant Commission on April 3, 1950.

Emphasizing the impact of the Commission's order within the framework of the statutory scheme of regulating transportation companies, Title 48, Code of Alabama, 1940, plaintiff makes clear that it is impaled on the horns of a dilemma. If it continues the operation of such trains, it will lose substantial sums of money. If it ignores the Commission's order and abandons such services, it will face the imposition of severe sanctions under pertinent statutes.⁴³ Either course, it complains, will result in irreparable damage unless this court grants injunctive relief.

Following the constitution of a three-judge district court in conformity with the provisions of Title 28, Section 2281, U. S. C. A., this action was, on May 8, 1950, set down for a hearing on plaintiff's prayer for a temporary injunction at Montgomery, Alabama, on May 22, 1950.

Upon its convocation, this court was met at the threshold with three several motions, in which all defendants joined, raising certain adjective problems relating to the jurisdiction of the court, the propriety of exercising such jurisdiction as it might be found to have, and the right of plaintiff to injunctive relief in any event.

At the conclusion of oral arguments, the court, after consultation, announced its opinion that each of such motions was due to be overruled for reasons thereafter to be stated. Whereupon, it was stipulated by counsel for the parties that evidence should be adduced and the case submitted upon plaintiff's prayer for a permanent injunction.

I. Adopting a literal construction of the following language of Title 28, Section 2281, U. S. C. A.:

"An interlocutory or permanent injunction restraining the enforcement, operation or execution of any State statute by restraining the action of any officer of such State in the enforcement or execution of such statute or of an order made by an administrative board or commission acting under State statutes, shall not be granted by any district court or judge thereof upon the ground of the unconstitutionality of such statute unless the application therefor is heard and determined by a district court of three judges under section 2284 of this title. June 25, 1948, c. 646, 62 Stat. 968."

defendants challenge the jurisdiction of this District Court of three judges because no attack is leveled at the constitu-

tionality of the State statutes under which the defendant Commission acted. Since, it is argued, plaintiff does not seek an adjudication of unconstitutionality of such statutes but relies squarely upon the assertion that the order of the [fol. 66] defendant Commission denying plaintiff the right to abandon the passenger train service concerned is confiscatory in effect and therefore violative of the Fourteenth Amendment to the Constitution of the United States, the quoted statute is manifestly inapplicable.

Dispositive of this contention is *Oklahoma Natural Gas Co. v. Russell*, 261 U. S. 290, 43 S. Ct. 353, 67 L. E. 659 (1923), in which Mr. Justice Holmes, delivering the opinion for a unanimous court, stated:

"A doubt has been suggested whether these cases are within Sec. 266 of the Judicial Code, Act of March 3, 1911, c. 231, 36 Stat. 1087, 1162; as amended by the Act of March 4, 1913, c. 160, 37 Stat. 1013. The section originally forbade interlocutory injunctions restraining the action of state officers in the enforcement or execution of any statute of a State, upon the ground of its unconstitutionality, without a hearing by three judges. The amendment inserted after the words 'enforcement or execution of such statute' the words 'or in the enforcement or execution of an order made by an administrative board or commission acting under and pursuant to the statutes of such State' but did not change the statement of the ground, which still reads 'the unconstitutionality of such statute.' So if the section is construed with narrow precision it may be argued that the unconstitutionality of the order is not enough. But this Court has assumed repeatedly that the section was to be taken more broadly. *Louisville & Nashville R.R. Co. v. Finn*, 235 U. S. 601, 604. *Phoenix Ry. Co. v. Geary*, 239 U. S. 277, 280, 281. *Cumberland Telephone & Telegraph Co. v. Louisiana Public Service Commission*, 260 U. S. 212. *Western & Atlantic R. R. v. Railroad Commission of Georgia*, ante, 264. The amendment seems to have been introduced to prevent any question that such orders were within the section. It was superfluous as the original statute covered them. *Louisville & Nashville R. R. Co. v. Garrett*, 231 U. S. 298, 301, 318. *Atlantic Coast Line R. R. Co. v. Goldsboro*, 232 U. S. 548, 555. *Grand Trunk Western Ry.*

Co. v. Railroad Commission of Indiana, 221 U. S. 400, 403. But it plainly was intended to enlarge not to restrict the law. We mentioned the matter simply to put doubts to rest.'

We hold that a Federal three-judge district court has jurisdiction to entertain a complaint alleging the unconstitutionality of an order of an administrative board or commission, acting under a State statute and praying for injunctive relief against the enforcement, operation or execution of such order, although no attack is made upon the validity of the statute itself.¹

[fol. 67] II. Insisting that this court should herein decline to exercise its jurisdiction, defendants first invoke the familiar doctrine of exhaustion of administrative remedies. Pointing to the provisions of Title 48, Section 79, et seq., Code of Alabama, 1940, defendants assert that the appellate procedure therein provided is a part of the administrative process.

We do not agree. In *Avery Freight Lines, Inc. v. Persons* 250 Ala. 40, 32 So. 2d 886 (1947), the Supreme Court of Alabama, in holding that an appeal to the Circuit Court under the statutes concerned was judicial and not legislative or administrative, observed:

"Under the foregoing statutes . . . the circuit court can do only three things. (1) It can affirm the order of the Public Service Commission. (2) It can set aside the order of the Public Service Commission. (3) It can remand the case to the Public Service Commission for further proceedings in conformity with the direction of the court. The legislature evidently did not intend 'that the reviewing court should put itself in the place of the commission, try the matter anew as an administrative body, weigh the evidence and substitute

¹ *Herkness v. Irion. Comm. of Conservation, et al.*, 278 U. S. 92, 49 S. Ct. 40, 73 L. Ed. 198 (1928);

Ex Parte Williams, Tax Comm., 277 U. S. 267, 48 S. Ct. 523, 72 L. Ed. 877 (1928);

Prendergast, et al., v. New York Telephone Co., 262 U. S. 43, 43 S. Ct. 466, 67 L. Ed. 853 (1923);

Louisville & N. R. Co. v. Railroad Comm. of Ala., 208 Fed. 35 (D. C. Ala. 1913).

its finding and judgment on the merits as that of the commission." *State v. Public Service Commission*, 234 Mo. App. 470, 134 S. W. 2d 1069, 1076; *Id.*, 348 Mo. 613, 154 S. W. 2d 777; 51 C. J. p. 758. See *Alabama Public Service Commission v. Crow*, 247 Ala. 120, 22 So. 2d 721."

After discussing a similar statutory design for judicial review of administrative orders in *Bacon, et al. Public Service Comm. of State of Vermont v. Rutland Railroad Co.*, 232 U.S. 134, 34 S. Ct. 283, 58 L. Ed. 538 (1914), the court said:

"It is apparent on the face of these sections that they do not attempt to confer legislative powers upon the court. They only provide an alternative and more expeditious way of doing what might be done by a bill in equity. Whether the alternative is exclusive or concurrent, whether it opens matters that would not be open upon a bill or not, if exceptions are taken (which does not appear in this case), is immaterial; the remedy in any event is purely judicial, to exonerate the appellant from an order that exceeds the law. This, we understand, is the view taken by the Supreme Court of the State, *Bacon v. Boston & Maine R. R.* 83 Vermont, 421, 457; *Sabre v. Rutland R. R. Co.*, 86 Vermont, 347, 368, 369, and this being so, by the rule laid down in *Prentiss v. Atlantic Coast Line Co.*, the railroad company was free to assert its rights in the District Court of the United States."

We hold that defendant Commission's order denying plaintiff's petition terminated the administrative process, [fol. 68] entitling plaintiff to resort immediately to this court for relief.² The failure of plaintiff to apply for a rehearing does not affect the result. Title 48, Section 76,

² *St. Louis-San Francisco Railway Co. v. Ala. Public Service Comm.*, 279 U. S. 560, 4 S. Ct. 383, 73 L. Ed. 843 (1929);

Prendergast, et al. v. New York Telephone Co., 262 U. S. 43, 43 S. Ct. 466, 67 L. Ed. 853 (1923);

Bacon, et al. Public Service Comm. of State of Vermont v. Rutland Railroad Co., 232 U. S. 134, 34 S. Ct. 283, 58 L. Ed. 538 (1914);

Code of Alabama, 1940, permits an application for a rehearing before the Commission but does not require it. No Alabama case has been called to our attention, we have found none, holding that such an application must have been made before resorting to the statutory procedure for appeals to the State courts, to which we have referred. Moreover, in the absence of a statutory requirement making application for a rehearing a condition precedent to the right of judicial review, plaintiff was authorized to proceed in this court without first having availed itself of such a privilege.³

There is no merit in defendants' insistence that plaintiff must perforce litigate the validity of the alleged confiscatory order in the State courts. Jurisdiction of this court has been invoked by facts properly pleaded. Plaintiff had a choice of forums. It could have prosecuted an appeal to the Circuit Court of Montgomery, Alabama (Title 48, Section 79, Code of Alabama, 1940) or it could have invoked the jurisdiction of this court in a plenary suit. We hold that, after the judicial stage is reached, a complainant alleging an order of a State commission to be confiscatory in violation of the Fourteenth Amendment may seek the protection of a Federal court even though the State law affords like procedure in the State courts.⁴

Chicago B. & O. R. Co. v. Illinois Commerce Comm., 82 F. Supp. 368 (D. C. Ill., 1949);

Atlantic Coast Line R. Co. v. Public Service Comm. of South Carolina, 77 F. Supp. 675 (D. C. S. C. 1948).

³ *Prendergast et al. v. New York Telephone Co.*, *supra*, note 2.

Atlantic Coast Line R. Co. v. Public Service Comm. of South Carolina, *supra*, note 2.

⁴ *Railroad Warehouse Comm. of Minnesota v. Duluth Street Ry. Co.*, 273 U. S. 625, 47 S. Ct. 489, 71 L. Ed. 807 (1927);

Pacific Telephone & Telegraph Co. v. Kuykendall, 265 U. S. 196, 44 S. Ct. 553, 68 L. Ed. 795 (1924);

Prendergast v. New York Telephone Co., *supra*, note 2.

Oklahoma Natural Gas Co. v. Russell, 261 U. S. 290, 43 S. Ct. 353, 67 L. Ed. 659 (1923);

Detroit & Mackinac R. R. Co. v. Michigan R. R. Comm., 235 U. S. 402, 35 S. Ct. 126, 59 L. Ed. 288 (1914);

[fol. 69] Conceding *arguendo* its jurisdiction, defendants urge this court to abstain from its exercise both under the principle of comity between Federal and State courts and under the doctrine of discretionary abstention. But "rules of comity or convenience must give way to constitutional rights." *Oklahoma Natural Gas Co. v. Russell*, *supra*, 261 U. S. 290, 293. Since no suit is pending at this time in any of the courts of the State of Alabama between the parties to, or involving the subject matter of, this litigation, we hold that rules of comity are inapplicable. *Southern Railway Co. v. Alabama Public Service Comm.*, 88 Supp. 441 (1950).

There is ample authority to the effect that if questions of novel, ambiguous or undecided State law are involved in a pending action and it appears that a State court adjudication would decide or render unnecessary the decision of Federal questions, the Federal court should retain jurisdiction but withhold its decision pending determination of the matter by the State court with reasonable promptness.⁵ We agree that the district court should stay its hand

Bacon v. Rutland Railroad Co., *supra*, note 2.

Reagan v. Farmers Loan & Trust Co., 154 U. S. 362, 14 S. Ct. 1047, 38 L. Ed. 1014 (1894);

Central Kentucky Natural Gas v. Railroad Comm. of Ky. 37 F. 2d 938 (1930);

Union Light, Heat & Power Co. v. Railroad Comm., 17 F. 2d 143 (1926);

Van Wert Gaslight Co. v. Pub. Utilities Comm. of Ohio, 299 Fed. 670 (1924).

⁵ *Shipman v. Dupre*, — U. S. —, — S. Ct. —, 94 L. Ed. 537 (1950);

Railroad Comm. of Texas v. Pullman Co., 312 U. S. 496, 61 S. Ct. 643, 85 L. Ed. 971 (1941);

Burford v. Sun Oil Co., 319 U. S. 315, 63 S. Ct. 1098, 87 L. Ed. 1424 (1943);

Stainback v. Ho Hock Me Lok Po, 336 U. S. 368, 69 S. Ct. 606, 93 L. Ed. — (1949);

Chicago v. Fieldcrest Dairies, 316 U. S. 163, — S. Ct. —, — L. Ed. — (1942);

A. F. L. v. Watson 327, U. S. 582, 66 S. Ct. 761, 90 L. Ed. 873 (1946);

Township of Hillsborough v. Cromwell, 326 U. S. 620, 66 S. Ct. 53, 90 L. Ed. 415 (1945).

where the Federal question may not survive the decision of the State court as to the local law. But defendants cite no ambiguous, novel or undecided State law involved herein. The authority of the Commission to issue the order is not questioned. The statute under which it acted is not attacked. The Alabama law requires no definitive construction of authoritative interpretation. *Alabama Public Service Commission v. Atlantic Coast Line R. Co., supra.* We hold that the doctrine of discretionary abstention does not apply.

[fol. 70] III. Maintaining that the allegations of the complaint afford no basis for injunctive relief in any event, defendants advert to the negative form of the Commission's order and assert that the effect of an injunction would be to interfere with enforcement of State criminal statutes contrary to time-honored principles of equity.

It is conceded that the order is negative in form,⁶ but its legal effect could hardly be more positive. Viewed against the statutory scheme adopted by the State to regulate transportation companies, such order is conclusive evidence that plaintiff has done all it could under the State law to get relief and could not get it. To save itself from irreparable damage it must violate the State's criminal law and submit to its sanctions if State officers do their duty. This, equity does not require. Stripped of artificiality, the order amounts to a stark command by the State that plaintiff continue to furnish the train services involved or suffer the consequences of their abandonment. In view of the findings of fact and conclusions of law, *infra*,⁷ we hold that in its impact on plaintiff's business it is affirmative in nature, having the practical effect of confiscating plaintiff's

⁶ The report and order of the Commission, after a statement of the case and a finding adverse to the railroad concludes: "Premises considered, It Is Ordered By The Commission, that the petition of the Southern Railway Company filed on September 13, 1948, requesting authority to discontinue the operation of passenger trains No. 7 and 8, between Tusculumbia, Alabama; and Chattanooga, Tennessee, in so far as they are operated in the State of Alabama, be and it is hereby denied."

⁷ See Findings of Fact Nos. 15-38 and Conclusions of Law Nos. 11-17, *infra*.

property in violation of the Fourteenth Amendment, and that it is clearly not within the rule of the cases relied upon by defendants.⁸

Equally tenuous is defendant's contention that the injunction prayed for would restrain enforcement of the criminal [fol. 71] laws of Alabama in an unwarranted manner. To impart reality to the protection afforded plaintiff by the Fourteenth Amendment it is essential that this court restrain defendants from seeking to impose the sanctions of fines, penalties and forfeitures provided in Title 48, Code of Alabama, 1940. We are without jurisdiction to grant the relief which the Commission wrongfully withheld, namely, permission for plaintiff to abandon these train services. We are warranted in assuming that should we decline to interfere with the enforcement of the criminal laws of Alabama plaintiff would continue to operate these trains at a serious and growing loss, for while the threat of prosecution may be a goad, it is not the only inducement to law observance. Thus, it is not the threat of a multiplicity of prosecutions, but the finding of irreparable damage to plaintiff's property rights that is real, not fanciful, immediate, not remote, which moves us to grant an injunction. We know of no other manner of affording the relief to which plaintiff is entitled.

Defendants rely heavily upon the following statement in *Beal, County Attorney of Douglas County, Nebraska, et al. v. Mo. Pac. R. Co.*, 312 U. S. 45, 61 S. Ct. 418, 85 L. Ed. 577 (1941);

"It is a familiar rule that courts of equity do not ordinarily restrain criminal prosecutions. In re Sawyer, 124 U. S. 200, 211; Davis & Farnum Mfg. Co. v. Los Angeles, 189, U. S. 207; Hygrade Provisions Co. v. Sherman, 266 U. S. 497, 500. No citizen or member of the community is immune from prosecution, in good faith, for his alleged criminal acts. The imminence of such a prosecution even though alleged to be unauthorized and hence unlawful is not alone ground for

⁸ *Standard Oil v. United States*, 283 U. S. 235, 51 S. Ct. 429, 75 L. Ed. 999 (1931);

Piedmont & No. Ry. Co. v. United States, 280 U. S. 469, 50, S. Ct. 192, 74 L. Ed. 551 (1930).

relief in equity which exerts its extraordinary powers only to prevent irreparable injury to the plaintiff who seeks its aid. *Terrace v. Thompson*, 263, U. S. 197, 214; *Packard v. Banton*, 264, U. S. 140, 143; *Tyson v. Banton*, 273 U. S. 418, 428; *Cline v. Frink Dairy Co.*, 274 U. S. 445, 452."

But it was also said in the *Beal* case, *Supra*:

"* * * that in view of the state of the record and certain concessions made by counsel on the argument here any further hearing of the issue of irreparable injury to respondent from a threatened multiplicity of suits has been waived. The reversal will accordingly be with instructions to the district court to dismiss the bill of complaint."

In the case at bar there was no concession or waiver of any claim of irreparable injury resulting from a multiplicity of suits or the deprivation of property without due process of law.

We hold that this case falls within the exception to the general rule and find apposite the following language in [fol. 72] *Cline v. Frink Dairy Co.*, 274 U. S. 445, 47 S. Ct. 681, 71 L. Ed. 1146 (1927):

"* * * The general rule is that a court of equity is without jurisdiction to restrain criminal proceedings to try the same right that is in issue before it; but an exception to this rule exists when the prevention of such prosecutions under alleged unconstitutional enactments is essential to the safeguarding of rights of property, and when the circumstances are exceptional and the danger of irreparable loss is both great and immediate. *Fenner v. Boykin*, 271, U. S. 240, 243; *Packard v. Banton*, 264, U. S. 140; *Hygrade Provision Co. v. Sherman*, 266 U. S. 497, 502; *Terrace v. Thompson*, 263 U. S. 197, 214; *Ex Parte Young*, 209 U. S. 123; *Davis & Farnum Mfg. Co. v. Los Angeles*, 189 U. S. 207, 218; *Dobbins v. Los Angeles*, 195 U. S. 223, 236, 241; *In re Sawyer*, 124 U. S. 200, 209, 211."

Proceeding to the merits of the case, we hold that plaintiff is entitled to the relief for which it prays and enter the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. Plaintiff, Southern Railway Company, is a corporation organized and existing under the laws of the State of Virginia, is engaged as a common carrier by railroad of persons and property between points within the State of Alabama, and between points within the State of Alabama on the one hand and points in other states throughout the South on the other hand, and is subject to the jurisdiction of the Alabama Public Service Commission and the Interstate Commerce Commission, respectively.

2. The defendant, Alabama Public Service Commission, consisting of a president and two associate commissioners; in an administrative body created under the laws of the State of Alabama (Title 48, Section 1, Code of Alabama, 1940), and thereby authorized to exercise certain regulatory powers over plaintiff (Title 48, Section 106, Code of Alabama, 1940). The principal office and official domicile of said Commission is located in the City of Montgomery, being within the Northern Division of the Middle judicial district of the State of Alabama. (Title 48, Section 106, Code of Alabama, 1940.) Defendant Persons is President, and defendants Hitchcock and Owen are Associate Commissioners of said Commission and are citizens of the State of Alabama and residents of the City of Montgomery.

3. The defendant Carmichael is Attorney General for the State of Alabama, and is a citizen of the State of Alabama and resident of the City of Montgomery. Defendant Carmichael, as Attorney General of the State of Alabama, [fol. 73] is by the statutes of said state charged with the supervision and control of legal proceedings in behalf of the State of Alabama and is attorney for defendant, Alabama Public Service Commission.

4. This is a suit of a civil nature between citizens of different states and arises under the Fourteenth Amendment to the Constitution of the United States. The matter in controversy, exclusive of interest and cost, exceeds the sum of \$3,000.

5. Plaintiff complied with Title 48, Section 35 and Section 106, Code of Alabama, 1940, on the 13th day of September, 1948, by filing with defendant Commission an application for authority to discontinue the operation of two local intra-state passenger trains being operated daily between Tusculumbia, Alabama, and Chattanooga, Tennessee.

6. The defendant Commission set said application down for hearing at Huntsville, Alabama, for June 2, 1949. The hearing was continued by the Commission until August 4, 1949, and again until October 6, 1949, when it was heard by two representatives of the Commission, none of the defendant commissioners being present thereat.

7. On April 3, 1950, the Commission entered its report and order and denied plaintiff's application.

8. Plaintiff seeks a temporary and permanent injunction against the defendants, separately and severally, from proceeding to enforce sanctions provided under the law of the State of Alabama for the failure or refusal of plaintiff to continue the operation of local passenger trains Nos. 7 and 8 within the State of Alabama in violation of order No. 11988, entered by defendant Commission April 3, 1950, and that said order be declared unlawful, null, void and of no effect.

9. On September 13, 1948, a notice was posted at each affected station in Alabama that plaintiff had petitioned the Alabama Public Service Commission for authority to discontinue local trains Nos. 7 and 8. These notices remained posted for a period of ten days in compliance with the rule of defendant Commission.

10. Local train No. 7 leaves Chattanooga, Tennessee, and makes scheduled or flag stops at the following towns in [fol. 74] Alabama: Stevenson, Fackler, Hollywood, Scottsboro, Larkinsville, Limrock, Woodville, Paint Rock, Gurley, Brownsboro, Chase, Huntsville, Madison, Belle Mina, Decatur, Trinity, Hillsboro, Wheeler, Courtland, Town Creek, Leighton, and Sheffield-Tuscumbia. Local train No. 8 makes the same trip in reverse, starting at Sheffield-Tuscumbia and ending at Chattanooga, Tennessee.

11. Train No. 7 leaves Chattanooga, Tennessee, at 4:15 P. M. and arrives at Sheffield-Tuscumbia, Alabama 9:05 p. m. Train No. 8 leaves Sheffield-Tuscumbia, Alabama, at 5:55 a. m. and arrives at Chattanooga, Tennessee, at 10:50 a. m.

12. In addition to local trains Nos. 7 and 8, plaintiff operates trains Nos. 35 and 36, and trains Nos. 45 and 46 between Chattanooga, Tennessee, and Sheffield-Tuscumbia, Alabama. Train No. 35 leaves Chattanooga, Tennessee, at 7:00 A. M. and arrives at Sheffield-Tuscumbia, Alabama, at 12:20 p. m. Train No. 36 leaves Sheffield-Tuscumbia, Alabama, at 12:40

p. m. and arrives at Chattanooga, Tennessee, at 6:00 p. m. Train No. 45 leaves Chattanooga, Tennessee, at 11:50 p. m. and arrives at Sheffield-Tuscumbia, Alabama, at 4:10 a. m. Train No. 46 leaves Sheffield-Tuscumbia, Alabama, at 11:10 p. m. and arrives at Chattanooga, Tennessee, at 3:10 a. m. Trains Nos. 35 and 36 make a scheduled stop or flag stop at the following towns in Alabama:

Stevenson, Fackler, Hollywood, Scottsboro, Larkinsville, Linrock, Woodville, Paint Rock, Gurley, Brownsboro, Chase, Huntsville, Madison, Belle Mina, Decatur, Trinity, Hillsboro, Wheeler, Courtland, Town Creek, Leighton to Sheffield-Tuscumbia. Trains Nos. 45 and 46 make a scheduled stop or flag stop at Chattanooga, Tennessee, and the following towns in Alabama: Stevenson, Scottsboro, Huntsville, Decatur and Sheffield-Tuscumbia.

13. Odd number trains 7, 35 and 45 operate westbound from Chattanooga, Tennessee, to Sheffield-Tuscumbia, Alabama. Even number trains 8, 36 and 46 operate eastbound from Sheffield-Tuscumbia, Alabama, to Chattanooga, Tennessee. All six trains are operated daily and carry passengers, mail and express.

14. The passenger coaches used on trains Nos. 7 and 8 are of steel construction, electric lighted, steam heated, equipped with electric fans, flush toilets, window screens, drinking fountains and smoking compartment. The equipment is generally cleaned at Sheffield and Chattanooga, and repaired at Chattanooga.

[fol. 75] 15. It requires ten men to operate trains Nos. 7 and 8, five men in each direction. Each crew is composed of an engine crew of engineer and fireman and a train crew of conductor, flagman and baggageman. On Saturday and Sunday a porter is employed as an extra member on each train.

16. The few passengers that ride local trains Nos. 7 and 8 make a short-haul from one local town to another of about $5\frac{1}{2}$ to 10 miles distance.

17. If trains Nos. 7 and 8 are discontinued, no station between Chattanooga, Tennessee, and Sheffield-Tuscumbia, Alabama, would be closed for that reason.

18. Statistical information concerning the operation of trains Nos. 7 and 8 for the twelve months ending February 29, 1948, shows that "actual" direct expenses (\$87,524.05) very nearly approximate total gross revenue earned (\$98,-

842.92). With "apportioned" direct expenses added, the twelve-months' operation resulted in an excess of direct expenses over total revenue of \$78,710.74. Stated differently, the railway spend \$1.80 to earn \$1.00 of gross revenue."

19. For the twelve-month period ending February 28, 1949, "actual" direct expenses (\$90,993.77) exceeded total gross revenue (\$79,956.27). With "apportioned" direct expenses added, direct expenses exceed total revenue by \$102,326.93. Stated differently, the Railway paid out \$2.28 to earn \$1.00 of gross revenue.

20. For the five-month period ending July 31, 1949, "actual" direct expenses (\$40,819.57) exceeded total gross revenue (\$30,745.28). With "apportioned" direct expenses added, direct expenses exceeded total revenue by \$53,692.56. The plaintiff railroad paid out \$2.75 to earn \$1.00 of gross revenue.

[fol. 76] 21. The average number of passengers on trains Nos. 7 and 8 per train mile decreased from 26.63 for the twelve months ending February 29, 1948, to 18.13 for the twelve months ending February 28, 1949, and to 13.92 for the five months ending July 31, 1949. The average number of passengers per train mile on all other Southern Railway passenger trains was 84.65 for the twelve months ending February 29, 1948, 76.30 for the twelve months ending February 28, 1949, and 67.93 for the five months ending July 31, 1949.

22. The average revenue from passengers per train mile for trains Nos. 7 and 8 decreased from 54.90 cents for the twelve months ending February 29, 1948, to 37.35 cents for

"In these and the following computation the term "actual" direct expenses includes the wages for the train and engine crews, payroll tax, railroad retirement and unemployment insurance, train fuel and damage to livestock on the right of way. The term "apportioned" direct expenses includes engine house expenses, water, lubricants, supplied and repairs for passenger locomotives and train cars, costs of trackage over N. C. & S. L., and the Chattanooga station company expenses. Nothing was included for maintenance of way, track and structures, station, yard, all traffic expenses, general supervision, taxes except payroll, fixed charges, depreciation or return on investment.

the twelve months ending February 28, 1949, and to 29.22 cents for the five months ending July 31, 1949; this contrasts with all other Southern Railway passenger trains, with an average of 192.81 cents for the twelve months ending February 29, 1948, 195.92 cents for the twelve months ending February 28, 1949, and 183.67 cents for the five months ending July 31, 1949.

23. Plaintiff's operation of its entire passenger business for the period 1931-1941, inclusive, resulted in a net operating deficit of \$55,262,779. For the period 1942-1945, inclusive, passenger operations produced a net operating income of \$44,938,879. For the post-war years, 1946-1948, inclusive, passenger operations resulted in a net operating deficit of \$20,796,189. However, for the same respective periods, plaintiff's net freight service operating income was as follows: for the years 1931-1941, inclusive, \$233,815,273; for the years 1942-1945, inclusive, \$97,305,303; for the years 1946-1948, inclusive, \$90,631,088. By combining the results of passenger and freight service, it appears that plaintiff's net operating income was as follows: for the years 1931-1941, inclusive, \$178,552,494; for the years 1942-1945, inclusive, \$142,244,182; and for the years 1946-1948, inclusive, \$69,834,899.

24. For each year 1936-1941, inclusive, plaintiff's operation of passenger service within the State of Alabama resulted in a net operating deficit, the total for such period having been \$3,962,525. For each year 1942-1945, inclusive, there was a net operating income, the total for such period having been \$2,946,758. For each year 1946-1948, inclusive, there was a net operating deficit, the total for such period having been \$2,872,505. The plaintiff's operation of freight [fol. 77] service within the State of Alabama resulted in the following: for the years 1936-1941, inclusive, a net operating income of \$13,012,218; for the years 1942-1945, inclusive, a net operating income of \$13,934,056; and, for the years 1946-1948, inclusive, a net operating income of \$10,667,882. Taking these two sets of figures together, the plaintiff's operation within the State of Alabama resulted in a net railway operating income from both passenger and freight service for the years 1936-1941, inclusive, of \$9,049,693; for the years 1942-1945, inclusive, of \$16,880,814, and for the years 1946-1948, inclusive, of \$7,795,377.

25. Comparing 1948 with 1936, plaintiff's average receipts per passenger mile throughout its entire system increased

47%, whereas the average annual compensation per employee increased 109%, materials and supplies 134% and payroll taxes 1,344%.

26. For the Southern Railway Company as a whole, the average yearly gross revenue from passengers was: for the years 1921-1930, inclusive, \$27,956,720; for the years 1931-1941, inclusive, \$9,573,645; for the years 1942-1945, inclusive, \$52,639,553; and for the years 1946-1948, inclusive, \$25,195,733.

27. A comparison of the distribution of inter-city passenger traffic in the United States for the years 1926 and 1948 shows that in 1926 the steam roads handled 21.9%, in 1948 only 11.4%, a decrease of 48%. Private automobiles in 1926 transported 70.9%; in 1948, 79.7%, an increase of 12%. Busses transported 2.7% in 1926 and 5.6% in 1948, an increase of 144%.

28. For the year ending February 29, 1948, the daily average revenue from passengers on trains Nos. 7 and 8 was \$180.94, whereas the daily average total of wages, payroll tax and fuel was \$238.04. For the year ending February 28, 1949, the daily average revenue from passengers on trains Nos. 7 and 8 was \$124.74, whereas the daily average total of wages, payroll tax and fuel was \$276.19. For the five-month period, March 1, through July 31, 1949, the daily average revenue from passengers on trains Nos. 7 and 8 was \$97.02, whereas the daily average total of wages, payroll tax and [fol. 78] fuel was \$265.26. For the eight-month period, August 1, 1949, through March 31, 1950, the daily average revenue from passengers on trains Nos. 7 and 8 was \$83.11, whereas the daily average total of wages, payroll tax and fuel was \$278.57.

29. Prior to 1946, plaintiff operated a diesel-electric power unit, the "Joe Wheeler," on the run now served by trains Nos. 7 and 8, but after several years of experimentation, discontinued its operation because of the uneconomical results which obtained.

30. Plaintiff is not a common carrier of the United States mail. The collection and delivery of all mail is the function of the United States Government, exclusively.

31. The line of railroad traversed by trains Nos. 7 and 8 from Bridgeport, Alabama, to Sheffield-Tuscumbia, Alabama, is closely paralleled by hard surface highways and many of the communities along the railroad are located directly on important east-west highways. Several of the

larger communities are also located on important north-south highways. The Lee Highway (U. S. No. 72) closely parallels the line of railroad from the Alabama-Tennessee state line to Huntsville, from which point the railroad runs southwesterly to Decatur, and then generally westerly to Tuscumbia. From Huntsville to Tuscumbia the line of railroad is closely paralleled by the Joe Wheeler Highway (Ala. No. 20).

32. The American Bus Lines operates thirteen round trips daily between Florence and Huntsville. Seven of these schedules operate easterly over State Highway No. 20 between Tuscumbia and Huntsville, while six schedules operate westerly from Huntsville to Tuscumbia, via State Highway No. 20. The remaining schedules, east and west, operate over U. S. Highway No. 72 via Athens. Some of these busses operate in through service between Memphis and Charlotte and Memphis and Asheville. Eight round trips are operated daily between Florence and Chattanooga. Not less than seventy busses arrive in or depart from Huntsville daily. Decatur is also served by the Southeastern Greyhound Lines, operating nine round trips daily between Nashville and Birmingham.

[fol. 79] 33. The stops, in timetable order, populations and bus service available for each of the towns traversed by trains Nos. 7 and 8 between Stevenson and Sheffield-Tuscumbia are as follows:

(a) Bridgeport, an agency station (NC&StL) in an incorporated community with a population according to the 1940 federal census of 2031 (2124 in 1930):

Located on U. S. Highway No. 72.

Six busses daily between Florence and Chattanooga and seven busses daily between Chattanooga and Florence plus an additional round trip daily between Scottsboro and Chattanooga via American Bus Lines.

Also served by daily trains of the NC&StL and other daily trains of Southern Railway Company.

(b) Stevenson, an agency station in an incorporated community with a population according to the 1940 federal census of 793 (833 in 1930):

Located on U. S. Highway No. 72.

Six busses daily between Florence and Chattanooga and seven busses daily between Chattanooga and Florence plus an additional round trip daily between Scottsboro and Chattanooga via American Bus Lines.

Also served by daily trains of the NC&StL and other daily trains of the Southern Railway Co.

(c) Fackler, an agency station in an unincorporated community with an estimated population of 200 within sight of the stopping place:

Located on gravel road about two miles from U. S. Highway No. 72.

Also served by other daily trains of Southern Railway.

Bus service along U. S. Highway No. 72.

(d) Hollywood, an agency station in an incorporated community with a population according to the 1940 federal census of 311 (274 in 1930):

Located on gravel road about one mile from U. S. Highway No. 72.

Bus service along U. S. Highway No. 72.

Also served by other daily trains of Southern Railway.

(e) Scottsboro, an agency station in an incorporated community with a population according to the 1940 federal census of 2834 (2304 in 1930):

Located at junction of U. S. Highway No. 72 and State Primary Highways Nos. 32 and 35.

Eight busses daily in each direction between Florence and Huntsville and Chattanooga via American Bus Lines.

One bus daily in each direction between Scottsboro and Chattanooga via American Bus Lines.

Two round trips daily between Scottsboro and Flat Rock via Northeast Alabama Bus Co., Inc.

Four round trips daily between Ft. Payne and Guntersville via Northeast Alabama Bus Co., Inc.

Also served by other daily trains of Southern Railway Co.

(f) Larkinsville, an agency station in an unincorporated community with an estimated population of 200 within sight of the stopping place:

Located on U. S. Highway No. 72.

Six busses daily in each direction between Florence and Chattanooga via American Bus Lines.

Also served by other daily trains of Southern Railway Co.

[fol. 80] (g) Limrock, a non-agency station in an unincorporated community with an estimated population of 50 within sight of the stopping place:

Located on U. S. Highway No. 72.

Six busses daily in each direction between Florence and Chattanooga via American Bus Lines.

Also served by other daily trains of Southern Railway Co.

(h) Woodville, an agency station in an incorporated community with a population according to the 1940 federal census of 183 (196 in 1930):

Located on U. S. Highway No. 72.

Six busses daily in each direction between Florence and Chattanooga via American Bus Lines.

Also flag stop for Southern Railway daily trains 35 and 36.

(i) Paint Rock, an agency station in an incorporated community with a population according to the 1940 federal census of 282 (320 in 1930):

Located on U. S. Highway No. 72.

Six busses daily in each direction between Florence and Chattanooga via American Bus Lines.

Also served by daily Southern Railway trains 35 and 36.

(j) Gurley, an agency station in an unincorporated community with an estimated population of 500 within sight of the station:

Located on U. S. Highway No. 72.

Six busses daily in each direction between Florence and Chattanooga via American Bus Lines.

Also served by daily Southern Railway trains 35 and 36.

(k) Brownsboro, an agency station in an unincorporated community with an estimated population of 75 within sight of the stopping place:

Located on hard surface road about six-tenths of a mile from U. S. Highway No. 72.

Bus service along U. S. Highway No. 72.

Also flag stop for daily Southern Railway trains 35 and 36.

(l) Chase, a joint agency station (with NC&StL) in an unincorporated community with an estimated population of 50 within sight of the stopping place:

Flag stop for train No. 7 and regular stop for train No. 8.

Located on hard surface road about two miles from U. S. Highway No. 72.

Bus service along U. S. Highway No. 72 (Chase Road) between Florence and Chattanooga. Also bus service along unnumbered road between Huntsville and Shelbyville, Tenn. via Cherokee Motor Coach Lines.

Also served by daily except Sunday, mixed trains of the NC&StL, operating between Decherd, Tenn. and Huntsville, about 48 miles.

Also flag stop for daily Southern Railway trains 35 and 36.

(m) Huntsville, an agency station in an incorporated community with a population according to the 1940 federal census of 13,050 (11,554 in 1930):

Located at junction of U. S. Highways Nos. 24, 72 and 241 and State Primary Highway No. 20.

Eight busses daily in each direction between Florence and Chattanooga via American Bus Lines.

Thirteen busses daily in each direction between Florence and Huntsville (seven via Tusculumbia east-[fol. 81] bound and six via Tusculumbia westbound—the remaining schedules via Athens) via American Bus Lines.

Five busses daily in each direction from and to New Market (four each way from and to Winchester, Tenn.) via Cherokee Motor Coach Lines.

Nine busses daily to and from Nashville, Tenn. via Crescent Stages, Inc.

Eight busses daily to and from Montgomery, Ala., via Crescent Stages, Inc.

Eleven busses daily to and from Anniston, Alabama, via Crescent Stages, Inc.

Nine busses daily to and from Sylacauga, Ala. (with connections to and from Birmingham) via Crescent Stages, Inc.

Also served by other daily trains of Southern Railway Co.

Also served by daily, except Sunday, mixed trains of NC&StL between Decherd, Tenn. and Huntsville, about 48 miles.

(n) Madison, an agency station in an incorporated community with a population according to the 1940 federal census of 455 (431 in 1930):

Located on State Highway No. 20.

Seven busses daily between Florence-Decatur and Huntsville and six busses daily between Huntsville-Decatur and Florence via American Bus Lines.

Connection at Huntsville from and to Chattanooga.

Also served by daily Southern Railway trains 35 and 36.

(o) Belle Mina, an agency station in an unincorporated community with an estimated population of 200 within sight of the stopping place:

Located on State Highway No. 20.

Seven busses daily between Florence-Tuscumbia and Huntsville via Decatur and six busses daily between Huntsville and Tuscumbia-Florence via Decatur via American Bus Lines.

Also flag stop for daily Southern Railway trains 35 and 36.

(p) Decatur, an agency station in an incorporated community with a population according to the 1940 federal census of 16,604 (15,593 in 1930):

Located at junction of U. S. Highway No. 31 and State Highways Nos. 20 and 24.

Seven busses daily between Florence-Tuscumbia and Huntsville and six busses daily between Huntsville-Tuscumbia and Florence via American Bus Lines. Connections at Huntsville from and to Chattanooga.

Three busses daily in each direction to and from Red Bay, Ala., via Red Bay Bus Lines.

Four busses daily in each direction from and to Moulton, Ala., via Red Bay Bus Lines.

Nine busses daily in each direction between Birmingham and Nashville via Southeastern Greyhound Lines.

Also served by other daily Southern Railway trains in addition to daily L & N trains between Cincinnati-Birmingham and beyond.

(q) Trinity, a non-agency stop in an incorporated community with a population according to the 1940 federal census of 249 (208 in 1930):

Located on hard surface road about one mile from State Highway No. 20.

Bus service along State Highway No. 20 between Florence and Huntsville with connections at Huntsville to and from Chattanooga.

Also flag stop for daily Southern Railway trains 35 and 36.

[fol. 82] (r) Hillsboro, an agency station in an incorporated community with a population according to the 1940 federal census of 292 (240 in 1930):

Located on hard surface road about one mile from State Highway No. 20.

Bus service along State Highway No. 20 between Florence and Huntsville with connection at Huntsville from and to Chattanooga.

Also flag stop for daily Southern Railway trains 35 and 36.

(s) Wheeler, a non-agency station with an estimated population of 100 within sight of the station:

Located on State Highway No. 20.

Seven busses daily between Florence and Huntsville and six busses daily between Huntsville and

Florence via American Bus Lines with connections at Huntsville from and to Chattanooga.

Also flag stop for daily Southern Railway trains 35 and 36.

(t) Courtland, an agency station in an incorporated community with a population according to the 1940 federal census of 454 (359 in 1930):

Located on State Highway No. 20 near junction with State Highway No. 36, the latter highway connecting State Highways Nos. 20 and 24.

Seven busses daily between Florence-Tuscumbia and Huntsville and six busses daily between Huntsville-Tuscumbia and Florence via American Bus Lines with connections at Huntsville to and from Chattanooga.

Also served by daily Southern Railway trains 35 and 36.

(u) Town Creek, an agency station in an incorporated community with a population according to the 1940 federal census of 637 (427 in 1930):

Located at junction of State Highway No. 20 and State Highway No. 101, the latter highway connecting State Highway No. 20 and U. S. Highway No. 72.

Seven busses daily between Florence and Huntsville and six busses daily between Huntsville and Florence via American Bus Lines.

Also served by daily Southern Railway trains 35 and 36.

(v) Leighton, an agency station in an incorporated community with a population according to the 1940 federal census of 810 (670 in 1930):

Located on State Highway No. 20.

Seven busses daily between Florence-Tuscumbia and Huntsville and six busses daily between Huntsville and Tuscumbia-Florence via American Bus Lines with connections at Huntsville to and from Chattanooga.

Also served by daily Southern Railway trains 35 and 36.

34. The motor vehicle registration in the State of Alabama for the year 1948 shows 391,704 automobiles, 3,859 busses and 137,511 trucks.

35. The number of inhabitants per registered automobile in the counties of Alabama through which trains Nos. 7 and 8 run are as follows: Colbert, 6.2; Lawrence, 11; Limestone, 8.8; Morgan, 7.5; Madison, 7.4; Jackson, 12.9; and, for the State of Alabama, the number of inhabitants per registered automobile is 7.8.

[fol. 83] 36. There is adequate highway motor freight service along the route traversed by trains Nos. 7 and 8, and each city or town is serviced by one or more of the following interstate highway motor freight carriers:

Baggett Transportation Co.
 Birmingham-Huntsville Transport, Inc.
 Fayetteville Transfer Co.
 Loo-Mac Freight Lines
 Malone Freight Lines, Inc.
 Martin Motor Express
 Neely-Ross Motor Express, Inc.
 North Alabama Motor Express, Inc.
 Roadway Express, Inc.
 Silver Fleet Motor Express, The
 Valley Truck Lines, Inc.
 Mohawk Motor Lines, Inc.
 Dixie-Ohio Express Co.
 Gordon's Transports, Inc.
 Hoover Motor Express Co., Inc.
 McCullough & Sanderson
 Inter-City Trucking Co.
 Meeks Motor Freight

37. The passenger transportation revolution, resulting from the construction of a vast network of highways, improvement of the private automobile, and the availability of bus service, has transferred passenger transportation needs from the railroad to the highway.

38. The convenience of the private automobile and busses has outmoded local passenger trains Nos. 7 and 8 and caused them to become an undesirable form of transportation.

CONCLUSIONS OF LAW

1. Plaintiff's suit arises under the Fourteenth Amendment to the United States Constitution and the matter in

controversy exceeds, exclusive of interest and costs, the sum of \$3,000.

2. This court has jurisdiction of the parties and of the subject matter.

3. The questions for decision present no unresolved question of State law.

4. Under the provisions of Title 48, Sections 35 and 106, Code of Alabama, 1940, plaintiff is required to obtain a permit from Alabama Public Service Commission before discontinuing regularly scheduled passenger trains.

[fol. 84] 5. Defendants Persons, Hitchcock, and Owen, as the President and Associate Commissioners of the Alabama Public Service Commission, are charged with the duty of regulating and controlling transportation companies (Title 48, Section 104, et seq., Code of Alabama, 1940).

6. Defendant Carmichael, as Attorney General of the State of Alabama, is charged with the duty of enforcing all orders of the Alabama Public Service Commission and the sanctions provided in Title 48, Code of Alabama, 1940.

7. The Alabama Public Service Commission is charged with the duty of supervising, regulating and controlling all transportation companies doing business in the State in specified particulars, including the maintenance of such public service as may be reasonable and just. Title 48, Section 104, Code of Alabama, 1940.

8. In Alabama the duty to maintain such public service as may be reasonable and just is not imperative but is relative. "In order to justify a reduction of the service, the carrier is not required to show that the rate of return on the system requires the reduction, or that it would impede interstate commerce, but it is sufficient if the reduced plan would supply such train service as the public necessities demand and require (cases cited.)" *Ala. Pub. Serv. Comm. v. Atlantic Coast Line R. Co.*, — Ala. —, 45 So. 2d 449 (1950).

9. Plaintiff is under no obligation to continue to offer a service which the public will not use, where the offer is a financial burden, and where it is unreasonable to demand its continuance.

Thompson v. Boston & Maine R. R., 86 N. H. 204, 166 A. 249;

Atlantic Coast Line R. R. v. Public Service Comm. of So. Carolina, *supra*;

Alabama Public Service Comm. v. Atlantic Coast Line R. Co., *supra*.

10. The controlling criteria in determining whether local passenger trains may be discontinued are these: the character and population of the territory served, the public patronage, or lack of it, the facilities remaining, the expense of operation as compared with revenue from same, and the operations of the carrier as a whole.

Atlantic Coast Line R. R. v. Public Service Comm. of So. Carolina, supra;

Ala. Pub. Ser. Comm. v. Atlantic Coast Line R. R., supra.

[fol. 85] 11. If plaintiff continues to operate local trains Nos. 7 and 8, it will suffer irreparable damage by expending sums grossly disproportionate to revenue in a situation where there is no public necessity or demand for such service.

12. If plaintiff fails to operate local trains Nos. 7 and 8, plaintiff will be subjected to irreparable loss by incurring liability under sanctions imposed by Title 48, Code of Alabama, 1940, including Sections 110, 399, 400 and 405.

13. Plaintiff has no adequate remedy at law.

14. Plaintiff will suffer irreparable damage unless this court permanently enjoins defendants and their successors in office from seeking to impose the sanctions provided by Title 48, Code of Alabama, 1940, upon discontinuance by plaintiff of operation of its passenger trains Nos. 7 and 8 between Tuscumbia, Alabama, and Chattanooga, Tennessee, in opposition to the order of the defendant Commission, Docket No. 11988, April 3, 1950.

15. Order No. 11988, of April 3, 1950, rendered by the defendant Commission denying plaintiff permission to discontinue local trains Nos. 7 and 8 is unjust, unreasonable and confiscatory and deprives plaintiff of its property without just compensation in violation of the Fourteenth Amendment to the Constitution of the United States since there is no longer public necessity for this service and plaintiff is operating at a large financial loss.

16. Plaintiff owes no common carrier obligation, either to the United States or to the General Public to transport the United States Mail.

17. Plaintiff is entitled to a permanent injunction enjoining defendants Alabama Public Service Commission, Gordon Persons, its President, Jimmy Hitchcock and C. C. Owen, Associate Commissioners, and A. A. Carmichael,

Attorney General of the State of Alabama, together with the successors in office of each of them, and their agents, servants and attorneys from pursuing any of the remedies of mandamus, injunction, fine, forfeiture or penalty provided in Title 48, Sections 110, 399, 400 and 405, Code of Alabama, 1940, or otherwise, for the purpose of compelling [fol. 86] plaintiff to continue to operate local trains Nos. 7 and 8 between Sheffield-Tuscumbia, Alabama, and Chattanooga, Tennessee, pursuant to Title 48, Sections 35 and 106, Code of Alabama, 1940, and the order of the Alabama Public Service Commission, Docket No. 11988, of April 3, 1950.

Done at Montgomery, Alabama, this the 20 day of July, 1950.

Leon McCord, United States Circuit Judge; C. B. Kennamer, United States District Judge; Seybourn H. Lynne, United States District Judge.

[File endorsement omitted.]

[fol. 87] IN THE UNITED STATES DISTRICT COURT FOR THE
MIDDLE DISTRICT OF ALABAMA, NORTHERN DIVISION

Civil Action. No. 681

SOUTHERN RAILWAY COMPANY, a Corporation, Plaintiff,

vs.

ALABAMA PUBLIC SERVICE COMMISSION, GORDON PERSONS, Its President and Jimmy Hitchcock and C. C. (Jack) Owen, Associate Commissioners; and A. A. Carmichael, Attorney General of the State of Alabama, Defendants

DECREE—Filed July 20, 1950

This cause coming on to be heard before a duly constituted three-judge district court and having been submitted by agreement of the parties for final decree upon the pleadings in the cause and upon the evidence offered herein, including a transcript of the testimony presented at the hearing before the defendant, Alabama Public Service Commission, held at Huntsville, Alabama, on October 6, 1949, for

the reasons set forth in the findings of fact, conclusions of law and the opinion of the Court filed herein:

It is now Ordered, Adjudged and Decreed this 20th day of July 1950, as follows, viz:

(1) That the motion of the defendants to dismiss and the several motions of the defendants to stay proceedings in this cause be and the same are hereby denied;

(2) That the order of the defendant, Alabama Public Service Commission, dated April 3, 1950, denying the petition of plaintiff filed September 13, 1948, requesting authority to discontinue the operation of passenger trains Nos. 7 and 8 between Tuscumbia, Alabama, and Chattanooga, Tennessee, in so far as they are operated in the State of Alabama, be and the same is hereby vacated and declared to be null, void and of no effect;

[fols. 88-94] (3) That the defendants, Alabama Public Service Commission, Gordon Persons, its President, Jimmy Hitchcock and C. C. (Jack) Owen, Associate Commissioners, and A. A. Carmichael, Attorney General of the State of Alabama, together with the successors in office of each of them, and their agents, servants and attorneys, be and they are hereby permanently enjoined from taking any steps or proceedings of any nature whatsoever against the plaintiff, its officers, agents or employees, to enforce the provisions of said order or to enforce any fines, forfeitures, penalties or other sanctions provided by Title 48, Code of Alabama, 1940, or any remedies against the plaintiff, its officers, agents or employees on account of the failure to observe the provisions and requirements of said order by abandoning and discontinuing the operation of plaintiff's passenger trains Nos. 7 and 8 between Tuscumbia, Alabama, and Chattanooga, Tennessee, in so far as they are operated within the State of Alabama; and,

(4) That the costs of court incurred in this cause be and the same are hereby taxed against the defendants, for which execution may issue.

Leon McCord, United States Circuit Judge; C. B. Kennamer, United States District Judge; Seybourn H. Lynne, United States District Judge.

[File endorsement omitted.]

[fol. 95] Cost Bond on Appeal for \$500.00 approved and filed Sept. 18, 1950, omitted in printing.

[fol. 96] IN THE UNITED STATES DISTRICT COURT

[Title omitted]

PRAECIPE—Filed October 5, 1950

To the Clerk of the Above Named Court:

You will please prepare a transcript of the record in the above entitled cause to be transmitted to the Clerk of the Supreme Court of the United States and include in said transcript the following:

1. The original bill of complaint, and the exhibits thereto, filed May 3, 1950.
2. The summons to answer said bill of complaint, dated May 3, 1950.
3. The designation of the three judges to serve on the District Court of three judges, filed May 8, 1950.
4. The order requiring that defendants answer by May 17, 1950, dated May 8, 1950.
5. The motion addressed to Honorable Charles B. Kennamer, District Judge, Middle District of Alabama, moving for stay of the call of a three-judge District Court, filed May 15, 1950.
6. The motion to dismiss the action, filed May 17, 1950.
7. The defendants' answer to complaint and all exhibits thereto, filed May 17, 1950.
8. The motion to stay any further actions, orders, or decrees filed May 17, 1950.
9. The opinion of the District Court, including the Findings of Fact, Conclusions of Law and opinion dated July 20, 1950.
10. The final judgment or decree made and entered on July 20, 1950.
- [fol. 97] 11. Petition for Appeal filed September 8, 1950.
12. Order allowing appeal made and entered September 18, 1950.
13. Citation on appeal made and entered September 18, 1950.
14. Assignment of Errors filed September 18, 1950.
15. Statement of Jurisdiction of Supreme Court of the United States.
16. Statement required by Rule 12, Sec. 2 of Rules of

Supreme Court of United States with acceptance of service of notice of appeal.

17. This praecipe.

October 4, 1950.

A. A. Carmichael, Attorney General of Alabama;
Wallace L. Johnson, Assistant Attorney General
of Alabama; Richard T. Rives, of Counsel for
Appellants; John C. Godbold, of Counsel for Appel-
lants.

Service accepted this the 4th day of October, 1950.

Marion Rushton, of Counsel for Appellee.

[File endorsement omitted.]

[fol. 98] Clerk's Certificate to foregoing transcript omitted
in printing.

[fol. 99] IN THE SUPREME COURT OF THE UNITED STATES
STATEMENT OF POINTS TO BE RELIED UPON AND DESIGNATION
OF PARTS OF RECORD TO BE PRINTED—Filed November 10,
1950

I

Pursuant to Rule 13, paragraph 9, of this Court, appel-
lants adopt for their statement of points upon which they
intend to rely in their appeal to this Honorable Court the
points contained in their assignment of errors heretofore
filed.

II

Appellants designate the entire record as filed in the
above styled cause, for printing by the Clerk of this
Honorable Court.

A. A. Carmichael, Attorney General of Alabama;
Wallace L. Johnson, Assistant Attorney General
of Alabama; Richard T. Rives, of Counsel for
Appellants; John C. Godbold, of Counsel for
Appellants.

Service accepted of the above statement and designation this the 9th day of November, 1950.

Marion Rushton, of Counsel for Appellee.

[fol. 99a] [File endorsement omitted.]

[fol. 100] SUPREME COURT OF THE UNITED STATES, OCTOBER TERM, 1950

No. 395

ORDER NOTING PROBABLE JURISDICTION—November 27, 1950

The statement of jurisdiction in this case having been submitted and considered by the Court, probable jurisdiction is noted. The case is transferred to the summary docket and assigned for argument immediately following No. 146, which case is also transferred to the summary docket.

November 27, 1950.

Endorsed on Cover: File No. 54, 901 U. S. D. C. Middle Alabama, Term No. 395. Alabama Public Service Commission, et al., Appellants, vs. Southern Railway Company. Filed October 31, 1950. Term No. 395 O. T. 1950.

(1545)